

the taxpayer

Summer 2011

MAJORITY:

Will the
Conservatives
deliver a taxpayer-
friendly agenda?
P21

Photo: Canadian Press/Sean Kilpatrick

Taxpayer.com

From the President



Troy Lanigan
tlanigan@taxpayer.com

"Just wait till we get a majority ..."

If I had a Loonie for every time a Conservative partisan told me "just wait till we get a majority" the CTF could pretty much wind down its current fundraising efforts and operate off the interest.

I think I speak for a big chunk of CTF supporters in welcoming a Conservative majority government. The question is, how will they govern now that they have their coveted majority? Will we see the Harper Conservatives of the last five years that increased the size of the federal government by 35%? Or, will we see a Harper government more in keeping with their relatively modest campaign commitments past and present?

In this issue we release a Taxpayers' Agenda that is built around 20 policy priorities. These priorities are drawn from the Conservative Party platform, long-standing CTF priorities and the response of a supporter survey we conducted immediately after the election. With over 4,200 responses, it is the highest response to a supporter survey the CTF has ever had. Thank-you!

This list will help guide our federal advocacy efforts over the next several years. And while we don't expect to achieve every point; none can be excluded for consideration by the current government on the grounds that "we don't have a majority."



The CTF is pleased to announce the appointment of Gregory Thomas as our new Ottawa-based federal director and national spokesperson. Gregory served as the CTF's British Columbia director since November af-

ter a career spanning 20 years in the investment and banking industry as an advisor and financial planner. Gregory has written extensively on economic and fiscal matters including four years as the *Vancouver Sun's* financial markets columnist. Gregory takes over from Kevin Gaudet who the CTF wishes every success.



In the past two years we've invested considerable effort in producing timely, professional, yet frugal videos. As noted on page 34, our YouTube page recently topped 150,000 views. Most of the original content we produce is put together by Aaron Gunn who, along with some friends, runs a small video company in Victoria where they also attend university. This past spring we received a call from the *Atlas Economic Research Foundation* informing us that our video work surrounding the recent debt clock tour was

selected as a finalist for the *Lights, Camera, Liberty Film Festival*. Aaron and I were flown down to the event in Dallas and although we did not win the award, we were honoured to have our work showcased and the opportunity to speak to



Aaron Gunn addressing film festival.

an international audience about advancing the cause of taxpayer advocacy through video. ♦

The Canadian Taxpayers Federation is a federally incorporated not-for-profit and non-partisan organization dedicated to lower taxes, less waste and accountable government. Founded in 1990, the Federation is independent of all partisan or institutional affiliations and is entirely funded by free-will, non-tax receiptable contributions. All material is copyrighted. Permission to reprint can be obtained by e-mailing the editor: shennig@taxpayer.com. Printed in Canada.

Summer 2011

PUBLICATIONS MAIL AGREEMENT NO. 40063310
RETURN UNDELIVERABLE CANADIAN ADDRESSES TO:
CANADIAN TAXPAYERS FEDERATION
265-438 VICTORIA AVE. EAST
REGINA, SASK S4N 0N7

Summer 2011



The Cover:



MAJORITY

For the first time in 23 years, Canadians elected a Conservative majority government. Will Prime Minister Stephen Harper deliver a taxpayer-friendly agenda?

Advocacy & Opinion:



18 | Simson:

Former Liberal MP speaks out on Parliamentary Transparency in the first of a two-part series.

4 | Letters

12 | Quesnel: Native autonomy rests in changing mentality; not laws.

34 | CTF on the Web: Highlighting CTF presence on the Internet and social media.

The Nation:



26 | MP pensions:

Retired and defeated MPs pull \$115 million pension ripcord.

5 | WasteWatch

9 | Tax Freedom Day 2011: Falls two days later in 2011.

14 | Gas Tax Honesty Day 2011: Taking aim at tax-on-tax.

The Provinces:



46 | Nova Scotia crowned highest tax province

Documents on government website trumpet the news.

36 | BC: MLAs still stonewalling on expense reports.

38 | AB: In the spotlight with Jonathan Denis

40 | SK: With looming election, CTF releases taxpayer-friendly platform

42 | MB: Govitoba? A larger portion of government workers

44 | ON: Caledonia – \$20 million hush money payoff.

The Taxpayer magazine is the official publication of the Canadian Taxpayers Federation and is produced four times a year. For more information contact:

Administration: #265 - 438 Victoria Avenue East, Regina, Saskatchewan S4N 0N7 PH: (800) 667-7933

British Columbia: P.O. Box 20539, Howe Street RPO, Vancouver, BC V6Z 2N8 PH: (800) 699-2282

Alberta: P.O. Box 38029 RPO Capilano Edmonton, AB T6A 3Y6 PH: (800) 661-0187

Prairie (SK & MB): P.O. Box 42123 - 1881 Portage Avenue, Winnipeg, Manitoba R3J 3X7 PH: (800) 772-9955

Federal/Ontario: #1915 - 130 Albert Street, Ottawa, Ontario K1P 5G4 PH: (800) 265-0442

Atlantic: #1302 - 2000 Barrington St, Halifax, NS B3J 3K1 PH: (877) 909-5757

Web: www.taxpayer.com E-mail: admin@taxpayer.com

Debt Clock: www.debtclock.ca



Marijuana debate

Do not legalize marijuana. It puts people, starting with the very young, into a lifetime of bondage. Cannabis use leads to many problems: to the user himself, to their families, and to the rest of society. These problems include mental and physical health including earlier death, social and financial problems. The costs to society includes higher medical expenses. Problems and costs include theft to pay for cannabis, dangerous drivers, people who are not in control of their minds and actions. Would you want [someone drug addicted] working for [the CTF] on any project?

*Jean Morris
Lampman, Saskatchewan*

Two Views on MP Pensions

Preparing, running, and serving as an MP is disruptive for a career. It is also a role that burdens the home front significantly and plac-

es the person (and sometimes their family) in public view and to public criticism. If such positions are not properly remunerated, only the power-hungry will go after them.

A proper pension adds up. Even a modest pension of \$50,000 amounts to \$1.25 million by age 90. The way you write about this issue is inflammatory, biased and – frankly – not serving our country. In most cases I agree with CTF standpoints, but not this time.

*Hans Dekkers
Cranbrook, BC*

As a citizen and supporter of the NDP I agree that it's time to reform Parliamentary pensions to a self-funding arrangement whereby taxpayers match MP contributions dollar-for-dollar.

*Pina Carasi
Scarborough, Ontario*

MP pensions are obscenely generous when compared to what is available to most Canadians. I

Letters-to-the-editor

Letters may be edited for length, content and clarity.

Send your letters to:

The Taxpayer
c/o #265-438 Victoria Ave E.
Regina, SK S4N 0N7
Fax: (306) 205-8339
e-mail: letters@taxpayer.com



think MPs should be rewarded for their hard work in the public service (and not be forced to work as lobbyists after their terms are up), but this is going too far and makes MPs look like they're taking advantage of their positions of power. It's time to reform the system and restore the public's respect for our elected officials.

*Raj Bharati
Toronto, ON*

This severance doesn't add up

I am a retired member of the Canadian Forces. After 35 years of service I received a severance package of \$22,000: one week's pay for each year of service up to a maximum of 30 years.

The fact that MPs, after serving only two years in the House of Commons, can receive \$78,000 severance is way out of line when compared to other civil servants like myself. It's time MPs come under a different criteria.

*Burt Fearon
Bass River NB*

ED: Burt, there is no requirement for an MP to serve two years or indeed any minimum amount of time to be eligible to collect half their total salary in severance.

Severance paid to bureaucrats who didn't lose their jobs

In the real world, private sector companies pay severance to employees who are laid-off. If an employee retires or leaves for any other reason, no severance is paid.

But in the surreal world that is the federal bureaucracy, union contracts require severance be paid not only if an employee is laid-off, but even if they retire or resign to take another position.

The federal government has finally come to its senses and wants this provision changed.

Of course PSAC (Public Service Alliance of Canada) argues bureaucrats are entitled to their entitlements. It will only agree to end the benefit if Ottawa pays severance to current government employees even though they aren't leaving their jobs. And who can blame them – past-governments have agreed to such ludicrous contract provisions.

Eligible employees have until October to make their severance claim.

Ottawa has set aside \$1.3 billion for the severance payout to PSAC members.

It is expected other unions representing federal government employees will be demanding similar payouts to remove this absurd provision from their contracts,

With files from Global Winnipeg

Victory in the making

In the Fall 2010 issue we told you how we discovered there were 554 non-citizens sitting in federal prisons as of September 2010. It may not sound like a high number, but if you multiply 554 by the average cost of keeping someone in a federal prison for a year (\$113,974) and non-citizen thugs are costing Cana-

\$190,000 in corporate welfare

dian taxpayers a whopping \$63 million per year!

Well, we wrote to federal Public Safety Minister Vic Toews to see what could be done about it. Thankfully, he has indicated the feds have committed to address this issue.

First, right now, prisoners can veto being transferred back to their home countries. Yes, our government could send criminals to their home countries to serve their sentences – but only if the criminals chose to be returned. The feds intend on changing that law, making it easier to deport criminals regardless of what they think. No doubt that will help reduce costs for Canadian taxpayers as our prisons are incredibly expensive to run.

Second, for cases where foreign criminals must serve their whole sentence in Canada, the feds plan to make it easier to give them the boot once they're released.

Thumbs up to the feds for acting on this situation.

With files from the Canadian Taxpayers Federation

State secret: little green buses

The House of Commons shuttle-bus service ferries MPs around an area encompassing about four city blocks.

On a normal weekday there are four buses running a circular route from 7am to 11pm. The buses operate full time even when Parliament is not in session.

Apparently the cost of this service is a state secret as the House of Commons refuses to release details.

However, officials did disclose it cost an additional \$522,557 to ferry MPs to alternate offices – a couple blocks away – during renovations of office blocks on Parliament Hill. This small addendum to the shuttle service resulted in the hiring of seven additional drivers.

If they didn't have this service, the absolute maximum any MP would have to walk would be 20 minutes, most are far less.



A few years back a Parliamentary committee mocked the short distances MPs walked by ordering a convoy of buses to drive across the House of Commons courtyard.

The Senate has its own separate shuttle service (two buses) even though its entrances are only a few yards from the MP entrances. In 2006, the Senate spent \$2.9 million equipping three buses to use hydrogen and setting up a hydrogen refuelling centre. A year later the whole program was scrapped.

With files from the *National Post*

This jailbird gets his pension

In the last issue of *The Taxpayer*, we reported former Senator Raymond Lavigne was found guilty of defrauding the federal government of \$10,120.50 in expense claims and for using government paid employees for personal work on his property.

The judge sentenced Lavigne to six months in prison, six months of house arrest and ordered him to donate \$10,000 to charity.

Though Senators would eventually vote to remove Lavigne from the Senate, he pulled a fast one and resigned before the vote was taken, making himself eligible to collect his pension – which the CTF estimates at \$79,000 per year.

Unlike prisoners who recently had their Old Age Security and Guaranteed Income Supplements

scrapped while servicing their sentences; Lavigne who is 65 years old will enjoy \$6,600 a month behind bars.

With files from *CBC/Huff Post/Canadian Taxpayers Federation*

Being pulled from the trough

When *SunTV* interviewed Margie Gillis, they were unprepared for the negative onslaught by the arts community when they questioned her levels of government funding.

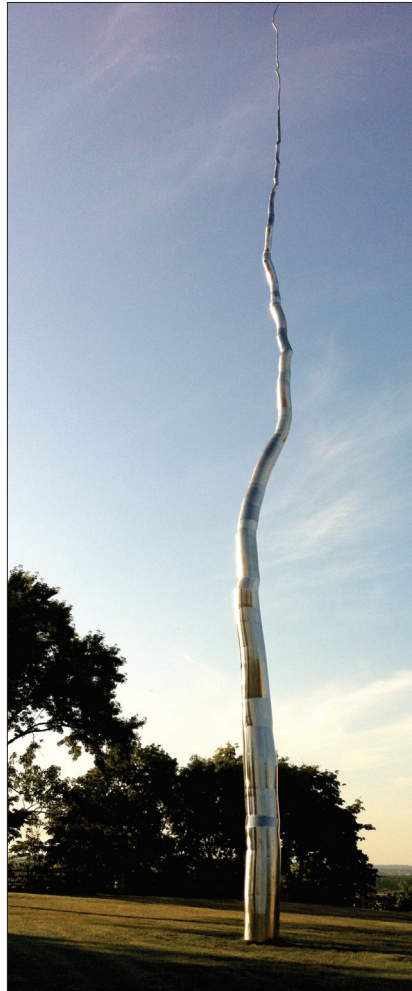
Margie Gillis – a Quebec-born interpretive dancer – started the Margie Gillis Dance Foundation which, according to its mission statement, is to “Research reflection and the study of the human adventure through artistic expression – through teaching and through creating – are essential endeavours for the sane evolution of our society and collective well-being.”

SunTV discovered between 1998 and 2009, Gillis’ foundation raked in at least \$1.2 million in government handouts. When told the number, Gillis expressed disbelief she had received that much funding. (This probably isn’t even all of it.)

The conversation became heated when Gillis was asked to justify her government funding.

Since that interview ran June 1, 2011, the Canadian Broadcast Standards Council (CBSC) was inundated with over 4,100 complaints from arts enthusiasts enraged anyone would question their grants. According to the CBSC, this was the largest number of complaints ever received on a single incident. The council even issued a news release asking people to quit sending in complaints.

Krista Erickson – the *SunTV* interviewer – said since the story ran she has been inundated with “hundreds of e-mails, phone



American artist,
American steel, one
million Canadian tax
dollars.

calls, extremely hostile, threatening, calling me four-letter words that I cannot repeat.”

With files from *SunTV* /
The Globe and Mail

The bureaucrat Olympics

On June 14, 2011, approximately 350 bureaucrats gathered at the Winnipeg Convention Centre to compete in what was billed by many as the Bureaucrat Olympics.

The event was part of Public Services Week and included bureaucrats from the federal, Manitoba and city governments.

The four hour event included live entertainment, dancing, free lunch and comedian Big Daddy Tazz who hosted the event. But the highlight appears to have been a series of competitive events including:

- Elastic band shooting: Contestants shot elastic bands into a container 12 feet away;
- Chop stick relay: Using chop sticks to pick up fold back clips contestants drop them in a container 12 feet away; and
- CD shotput: Contestants drop cds two feet and try and land them on top of paper cups.

When asked about the costs, event co-chair Larry Flynn threw out a price of \$2 for every government worker in Manitoba.

With the federal government running a \$32

billion deficit, the Manitoba government a \$510 million deficit and the City of Winnipeg stating it doesn't have enough money to fix roads, taxpayers might question their priorities.

With files from the *Winnipeg Sun*

\$190,000 donut welfare

In June, Ottawa announced it was providing a \$190,000 subsidy to New Brunswick's Mrs. Dunster Donut.

According to the government's news release, the money would be used to help build a cold-storage freezer enabling the business to sell more donuts.

There were no comments from Mrs. Dunster Donut's competitors whose tax payments helped make this subsidy possible.

The Conservative government has continued handing out lolly to selected businesses despite promises while in opposition it would end corporate welfare. The Conservatives criticized such handouts claiming government bureaucrats were picking winners and losers.

With files from *The Globe and Mail*

Christmas shopping on the clock

Manitoba bureaucrats who were “extremely behind” in their work got to go Christmas shopping on the clock ... and were later paid time-and-a-half on the weekend to catch up.

The Canadian Taxpayers Federation obtained documents showing the provincial government's Vital Statistics Branch allowed employees to go Christmas shopping on the clock in 2010, even though the department knew it was “extremely behind.”

Incredibly, employees had to be brought in on the weekends

How much do these little green buses cost?



and paid overtime to catch-up. In an e-mail to employees, a manager noted:

“Yay to Susan, who is generously giving all her staff 2 hours for Christmas shopping!!! I am anticipating we will not have any conflicts among each other as any time off is a wonderful gift. Please do not spend hours in group discussions as we are extremely behind and do not want to fall even further behind deciding over a couple of hours.”

The CTF was tipped off about the Christmas shopping by a someone inside the government who was disturbed by the situation. Thankfully, after investigating the issue, the CTF was told the practice has now been discontinued.

With files from the *Canadian Taxpayers Federation*

Fishing license needed to plant corn

Martin Reid, a corn farmer near Sabrevois, Quebec was forced to buy a fishing permit in order to plant corn.

As a result of the unusual amount of rain this year, much of Reid’s land was covered in water.

This resulted in a number of carp being landlocked on his flooded farmland. Because of this, Fisheries and Oceans Canada demanded Reid buy a fishing licence to remove the fish.

He was also required to capture them live (both sexes of fish are specifically mentioned), transport them in containers of water back to the river. If any carp died in transport he was required to bury the carp, (there was no mention of

the minimum he would have to spend on funeral arrangements).

Only once all the fish were captured would fisheries bureaucrats allow him to remove the water from his land.

In 1993, Reid experienced similar flooding. That year he decided to just pump the water off his land, killing the carp in the process. When Fisheries and Oceans Canada found out about this they fined Reid \$1,000 and warned him if he did it again he could be fined as much as \$100,000. Of course, there are no penalties or requirements if Reid simply left the water to dry up and evaporate naturally – subjecting the fish to a slow and prolonged death.

With files from *CNews.com*

American artist, American steel, Canadian tax dollars

The National Art Gallery recently put up a 100 foot stainless steel post and declared it a work of art.

Called “One Hundred Foot Line,” it is constructed of segments of stainless steel and appears like a tree stripped of its branches.

It was constructed by American artist Foxy Paine. Not only that, it was constructed out of American steel, shipped here from the US. The approximate 24 cylinders were welded together in Canada though.

Gallery spokesperson Jonathan Shaughnessy said, “[f]or Roxy Paine his work is all about the relationship between nature and industry, and really, human beings and manipulation of the natural world.”

So how much did this “work of art” cost taxpayers – the price tag is around \$1 million.

With files from the *Ottawa Citizen*



Paid time off to go Christmas shopping

TAX FREEDOM DAY

Tax Freedom Day 2011

By Wallace Chan & Troy Lanigan

Tax Freedom Day (TFD) fell on June 6th this year. Calculated by the *Fraser Institute*, TFD is the day we stop working for government and start working for ourselves. Prior to June 6th the equivalent of all our income went to pay the three – and sometimes four – levels of government.

This year, TFD falls two days *later* than last year. This is largely the result of a rebounding economy. As incomes improve and consumption increases, taxes consume a larger share of income under our “progressive” tax regime. Moreover, many prov-

ince Canadian family's income is confiscated to pay for government, our politicians *still need more*. The federal government alone is projected to borrow \$36.2 billion in 2011-12. The provinces are borrowing billions more.

If the different levels of governments all paid for their spending with more taxes instead of running deficits, Tax Freedom Day would move from June 6 to June 22 (another 16 days)!

Even if governments are not bal-

“TFD falls two days later than last year.”

inces increased taxes: Quebec increased its provincial sales tax, health tax and gas and mining tax; British Columbia increased its health tax and; New Brunswick increased its fuel tax.

The deferred tax burden

Even though 42.6% of an aver-



Breakdown of the average family's tax bill by level of Government — 2011 preliminary estimates

	Federal gov't	Prov gov't	Municipal gov't	Total Tax Bill
Canada	\$21,156	\$14,757	\$3,493	\$39,405

The average family with two or more individuals. Excludes natural resource levies

Source: The Fraser Institute's Canadian Tax Simulator

TAX FREEDOM DAY

ancing their budgets now, the annual deficits are simply deferred taxation that must be paid for eventually.

“Tax Freedom Day aims to provide the public with a better understanding of the price of public services.”

The cost of government

Some argue that government needs taxes to pay for necessary public services. Fair enough. Tax Freedom Day aims to provide the public with a better understanding of the price of public services.

The CTF believes that government is too expensive and that people – to the

Tax Freedom Days

Based on total taxes as a percentage of cash income for families with two or more individuals

	2010	2011
Newfoundland	June 20	June 19
PEI	May 25	May 27
Nova Scotia	June 6	June 7
New Brunswick	May 29	May 31
Quebec	June 6	June 10
Ontario	June 3	June 4
Manitoba	May 31	June 1
Saskatchewan	June 6	June 6
Alberta	May 16	May 18
BC	June 4	June 6
Canada	June 4	June 6
Without Natural Resources		
Newfoundland	May 24	May 24
Saskatchewan	May 27	May 27
Alberta	May 9	May 11
BC	June 1	June 3
Canada	June 2	June 4

Source: The Fraser Institute's Canadian Tax Simulator



Tax bill for average Canadian family with two or more individuals, 2011

Total cash income . . . \$93,831

Income taxes	\$12,668
Sales taxes	\$6,441
Liquor, tobacco, amusement, & other excise taxes	\$2,297
Auto, fuel, and motor vehicle license taxes	\$1,054
Social security, medical, and hospital taxes	\$8,558
Property taxes	\$3,751
Import duties	\$311
Profits tax	\$3,361
Natural resource taxes	\$555
Other taxes	\$965
Total taxes	\$39,960

Taxes as a percentage of cash income 42.6%

Source: The Fraser Institute's Canadian Tax Simulator

TAX FREEDOM DAY



greatest extent possible – should be empowered to make their own decisions with the fruits of their own labour. As the great Milton Friedman (1912-2006) pointed out, “very few people spend other people’s money as carefully as they spend their own.” On the other hand, politicians tend to favour policies and projects that generate votes every four years. No wonder many government expenditures are found to be wasteful and poorly spent.

Curbing the spending appetite

Corporate welfare, handouts to rent seeking groups, inflexible public sector unions and overly generous pension plans all represent unwisely spent taxpayers’ money. Reductions in spending allow for debt repayment and ultimately lower taxes. Without curbs to spending – and especially deficit spending – upward pressure will be placed on taxes as interest payments eat up a growing share of budgets.❖

Tax Freedom Days including government deficits

	2011	Balanced Budget Tax Freedom Day	Impact of federal and provincial government deficits on Tax Freedom Day		
			Total Increase days)	Federal	Province
Newfoundland	June 19	June 25	6	7	-1
PEI	May 27	June 8	12	8	4
Nova Scotia	June 7	June 21	14	9	5
New Brunswick	May 31	June 16	16	9	7
Quebec	June 10	June 21	10	6	4
Ontario	June 4	June 26	22	10	12
Manitoba	June 1	June 14	13	9	4
Saskatchewan	June 6	June 12	6	7	-1
Alberta	May 18	June 2	15	9	6
BC	June 6	June 18	12	10	2
Canada	June 6	June 22	16	9	7

Source: The Fraser Institute’s Canadian Tax Simulator / 2011 provincial budgets Note: Numbers may not add up due to rounding

NOTE:

There is debate whether natural resource royalties are a tax or simply the conversion of a balance sheet asset into an income stream. Separate Tax Freedom Day calculations are available for provinces with significant resource royalties.

Tax Freedom Day comes earlier in the At-

lantic provinces, Manitoba and Quebec due, in part, to the large share of their total revenue that is transferred from other provinces through the federal government. Conversely, Tax Freedom Days in the traditional “have “ provinces come later than would be the case without these transfers.

Indigenous Independent

by Joseph Quesnel

Autonomy Rests in Changing Mentality



In July 2010, National Chief Shawn Atleo of the Assembly of First Nations caused a stir when he suggested the *Indian Act* be phased out within two to five years.

Native leaders often criticize the *Indian Act* and the Indian Affairs bureaucracy. Not only is it considered condescending to have a government entity responsible for a group of people, but it was recognized that being in a ward relationship with the federal government was holding Natives back socially and economically.

The problem is this is all easier said than done. Although Atleo deserves credit for saying what everyone was thinking at a high level, setting targets with no plan is not realistic.

Achieving freedom from the *Indian Act* is not just about repealing a law, although that is the first step. Real freedom from the *Indian Act* comes from changing entrenched behaviours developed from a dependent relationship with another level of government. In the words of Jedi philosopher Yoda: you must unlearn what you have learned.

In the fall of 2010, I embarked on an ambitious research project. Myself and an associate with the Frontier Centre travelled to Nisga'a territory in northwest B.C.. Our goal was to assess how the Nisga'a model of Ab-

original self-government was impacting conditions on the ground. No one had looked at how the treaty promising self-government was actually affecting people.

At one point, I interviewed Mitchell Stevens, president of the Nisga'a Lisims Gov-

ernment (the central government of the Nisga'a Nation). I was able to ask him what insights he had for other bands seeking autonomy. His response was that he felt most bands were not really ready to leave the *Indian Act*. They talk a big game, but they are not prepared to leave that framework behind. The challenge for the Nisga'a people, he said, was they could not blame Indian Affairs or anyone else for their missteps. They were responsible as the buck now stopped with them.

That's a scary reality for many First Nations who find it easier to point fingers at everyone else but themselves.

Studies of Native American tribes conducted by the Harvard Project of American Indian Economic Development over the past 13 years have found that good political and economic decision-making only came when a tribe had jurisdiction and responsibility for its own decisions. The same would hold

true for First Nations in Canada.

Before I continue, it's important to mention the Nisga'a model is controversial. Some say the treaty granted too many far-reaching powers to a First Nation government, while others say it could even be unconstitutional.



Indigenous Independent

by Joseph Quesnel

“It was hard not to feel the hopeful optimism Nisga’a had for the future. The Nisga’a control their own land and resources, which is good, but they are realizing real self-government rests in changing old mentalities.”

That latter issue is before a B.C. court right now. Therefore, I don’t necessarily endorse everything about the Treaty, although as an example of autonomy, it is fair game.

The Frontier Centre commissioned COM-PAS, a Toronto-based polling firm, to conduct phone interviews with Nisga’a residents as well as a smaller representative sample of Tsimshian residents. The Tsimshian are similar culturally and economically to the Nisga’a, but the main differing variable is the Tsimshian are under the *Indian Act*, while the Nisga’a are not.

What the survey revealed was that – compared to the Tsimshian – the Nisga’a trusted their government more in terms of keeping its promises, believed them more honest in spending and hiring, and that health and education services had improved. On the flip side, they believed government consultation with the public had declined and that their economic situation had worsened since the treaty came into effect in May of 2000.

We also conducted more in-depth, in-person interviews with knowledgeable Nisga’a residents. In social science these people are called ‘key informants’ and they are intended to provide a deeper look at conditions on the ground. We interviewed 15 and found a more complicated picture of governance. Key informants, who included service administrators and con-



Nisga'a Traditional House: New Ayanish, B.C. - Wikipedia: Hans Jurgen Hubner

nected people, complained of continuing nepotism, family-style voting and politicized service delivery. They also told us that they felt the government was investing in bad economic ventures.

Interestingly, the biggest challenge was in changing *Indian Act* behaviours. In areas like housing, people felt their local government was responsible for all aspects of their home. Although some ambitious local leaders were trying to change things, old dependent attitudes persisted.

It was hard not to feel the hopeful optimism Nisga’a had for the future. The Nisga’a control their own land and resources, which is good, but they are realizing real self-government rests in changing old mentalities. Good governance doesn’t come automatically. As Native bands clamour for autonomy, it’s a reality they will have to address head-on. ♦

A Metis, Joseph Quesnel is the former editor of the Winnipeg-based Aboriginal newspaper *First Perspective* (www.firstperspective.ca) and a regular contributor to the *Winnipeg Sun*. Presently, he works as policy analyst with the Frontier Centre for Public Policy in Lethbridge, Alberta.

Joseph is a long-time advocate for limited government.

13th Annual Gas Tax Honesty Day Takes Aim at

TAX-ON-TAX



**by Derek
Fildebrandt**
Research Director

With gas prices at record highs, the CTF marked its 13th annual Gas Tax Honesty Day with events at gas stations in Vancouver, Edmonton, Winnipeg, Ottawa and Saint John. With media cameras rolling, CTF directors refunded pleasantly surprised motorists the tax portion of their fill. The campaign drove home that while politicians continue to grandstand about “gouging” oil companies, it remains that one-third of the pump price is taken by governments and GST/HST is applied to gas taxes.

Annual report

As part of Gas Tax Honesty Day each year, the CTF releases research detailing the amount of hidden fuel taxes. The 2011 research findings include:

- Federal and provincial tax-on-tax schemes cost Canadians 2.4 cents/litre;
- The average two car family will pay approximately \$1,100 in gas taxes every year;
- Taxes make up nearly 30 per cent of the pump price of gasoline; and
- There is a correlation between lower pump prices in provinces with lower taxes.

Tax-on-Tax

The only thing worse than a high hidden tax, is a high hidden tax-on-tax. The federal GST (and HST where applicable) apply not only to the actual cost of gasoline – the oil, refining, etc. – but also to excise taxes. Those excise taxes are made up of 10 cents federally and an average of 26 cents provincially. The cost to motor-

Each year, as part of Gas Tax Honesty Day, the CTF highlights the amount of taxes by paying the tax portion of selected consumer’s gas purchase. One of this year’s lucky recipients comments to media in Ottawa.



Gas Tax Honesty Day

ists of applying the GST/HST to the combined 36 cents in excise taxes works out to an extra 2.4 cents/litre in tax-on-tax.

While the GST/HST “double-taxes” Canadians, the Quebec Sales Tax (QST) manages to one-up the federal regime with a “triple-tax.” That is, the QST applies not only to the real cost of gasoline and hidden excise taxes, but also to the GST. For example: a litre of gasoline that cost \$1 before the GST is applied would be taxed at a base of \$1.05.

The high cost of hidden taxes

When confronted by the CTF’s calls for lower gas taxes, most politicians respond “savings from lower gas taxes would simply

be gobbled up by big oil companies.” This statement – however oft repeated – fails to stand up to scrutiny.

This year’s gas tax research finds a clear correlation between provinces with lower gas taxes and provinces with lower gas prices. Not surprisingly, provinces with higher gas taxes also had higher gas prices. While many factors must be accounted for in determining why gas prices are higher or lower in different parts of the country – such as transportation, regulation and supply and demand – taxes are the most transparent variant.

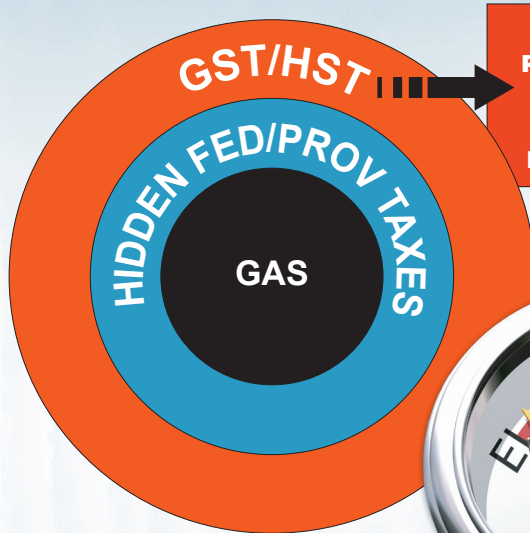
Take for example Alberta. While motorists there face a heavy tax burden, it is relatively lighter than the rest of the country, ranking number one for lowest gas taxes (25 cents/li-



TAX-ON-TAX

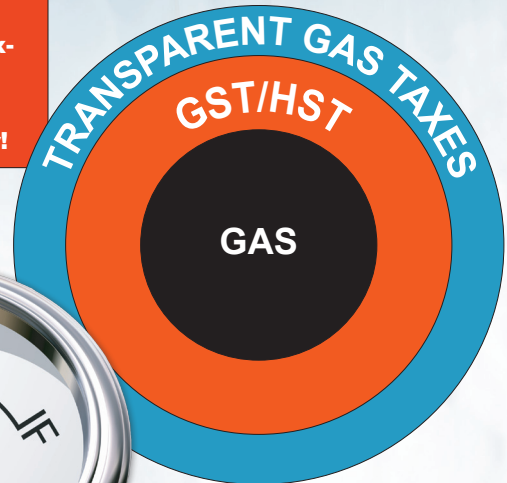
(AND TAX-ON-TAX-ON-TAX IN QUEBEC)

THE WRONG WAY



Federal and Provincial tax-on-tax cost drivers \$1.6 billion a year!

THE RIGHT WAY



tre). Gasoline in that province (using April 2011 figures) is the cheapest anywhere in Canada, at \$1.16/litre.

By contrast, the two provinces with the highest level of taxation on gasoline – British Columbia (46 cents/litre) and Quebec (44 cents/litre) also have the highest gas prices at \$1.38/litre and \$1.39/litre respectively. This correlation holds true for the seven provinces in the middle of the pack.

Despite the claims given by politicians, the facts are clear:

lower gas taxes see most of those savings passed on to consumers. The most obvious place to start would be to cut the GST/HST tax-on-tax.

Political grandstanding

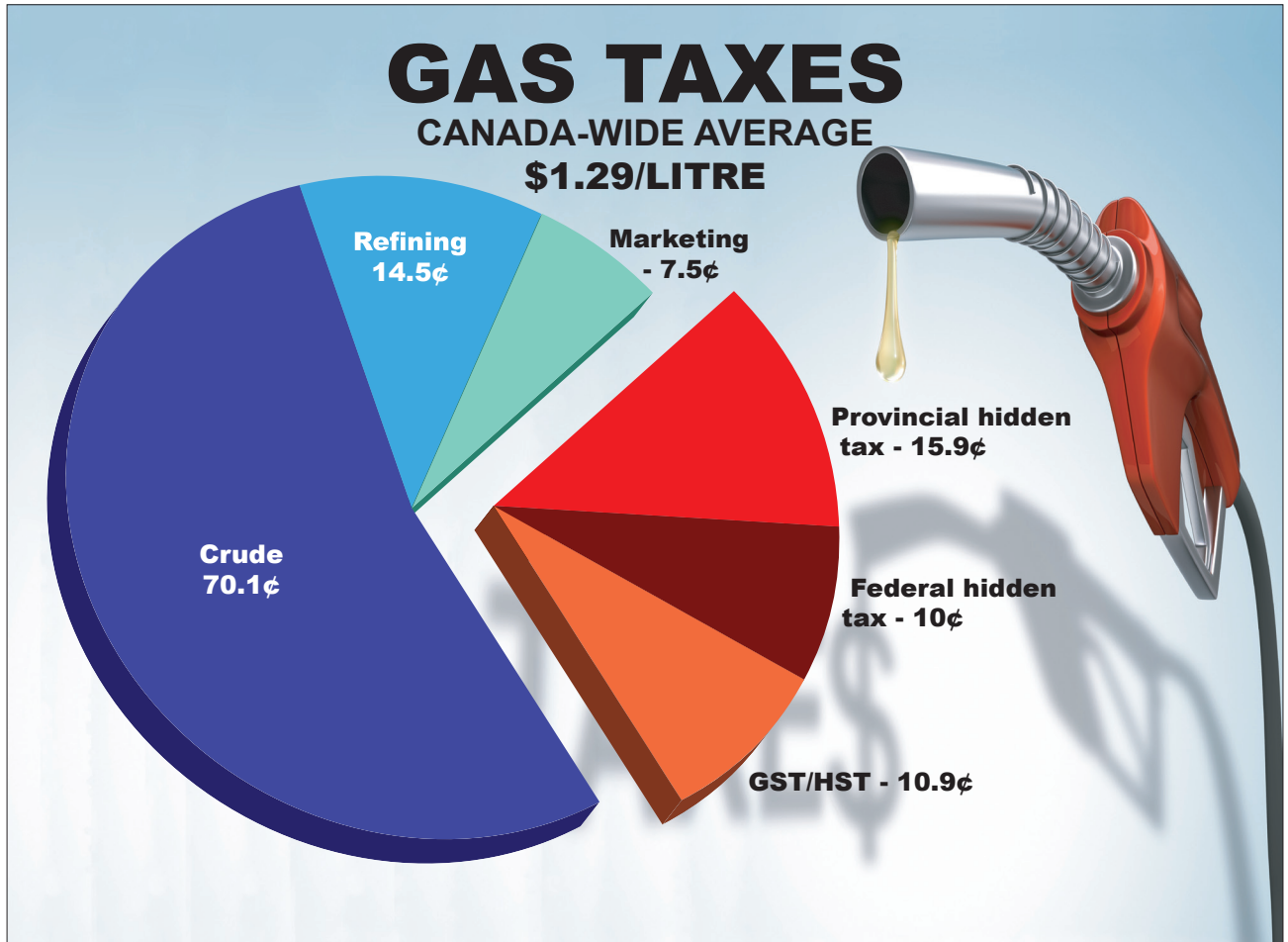
As gas prices continue to climb to eye-watering levels, politicians of all stripes

reached into their playbooks for the tried and true answer to the heat they were taking from constituents: blame the oil companies. While trading in a world commodity like oil no doubt played a major role in the price spike, repeated investigations by the *Competition Bureau of Canada* have never once found a significant case of price collusion.

The only cartels influencing the price of gasoline are found outside of Canada, namely OPEC. In other words, as much as we might curse the

“Despite the claims given by politicians, the facts are clear: lower gas taxes see most of those savings passed on to consumers. The most obvious place to start would be to cut the GST/HST tax-on-tax.”

Gas Tax Honesty Day



meter at the gas pump, it is competitive, at least domestically.

But, that never stops a good opportunity to grandstand. Former Industry Minister Tony Clement pronounced that he would summon oil executives to a parliamentary committee where MPs could grill them. While this has yet to take place, such a spectacle would likely mimic the similar “grilling” that took place in the US, where Congressmen and Senators wagged their fingers and lectured oil execs for the cameras. These politicians were able to portray them-

selves as being on the side of the little guy and motorists, all the while knowing full well that they accomplished nothing.

The Conservatives in opposition

At one time, Stephen Harper’s Conservatives were committed to ending the nefarious practice of applying the GST/HST to federal, provincial – and in some instances local – gas taxes. In 2004, the Conservative Party wrote in a national news release:

“The fastest and easiest way to give Canadians relief at the pump is for the federal government to stop charging GST on top of gasoline excise taxes. It’s time to axe the tax on the tax.”

The Conservatives were right in 2004 and likely know full well that if they are serious about providing relief at the pumps – and not just grandstanding for the cameras – that an appropriate starting point is to end the practice of gouging motorists by taxing taxes. ♦

THE TRUTH ABOUT PARLIAMENTARY TRANSPARENCY PT I of II

“Ethics is knowing the difference between what you have the right to do and what is right.”

Justice Potter Stewart
Supreme Court of Appeals

Many years ago, my father told me that most people inherently want to do the right thing, it is figuring out what the right thing to do is that invariably louses them up. I never really came to appreciate that observation until I was elected as an MP in 2008.

My decision to seek elected office was primarily driven by my sense that Canada was engaging in a “race to the bottom” in terms of democratic, open and transparent governance. It was a race quite frankly, all parties appeared to relish. A veil of secrecy in Ottawa that had been apparent for many years appeared to be growing, enveloping more departments, ministries and information.

During the 2008 campaign, I was constantly asked about what I intended to do if elected – not my party’s policies on a range of issues

– but what I personally could bring to the table. The truth is there is little one MP can do to influence party policy. In my riding of Scarborough Southwest, one issue emerged above all others. That issue was the growing public perception that tax money was being wasted.

It occurred to me then that the one thing I could and would do if elected would be to post my budget expenses ... every last penny with detailed explanations. That simple promise would have a two-fold effect. It would make me accountable to Canadians for their tax dollars I was spending and would also be useful as a tool for my office staff. We could see precisely where we were spending, which would enable us to accurately gauge if it was an effective use of taxpayers’ money.

The first year’s disclosure was a little daunting. It required re-formatting and properly categorizing my pro-rated 2008/2009 expenditures. As a former banker and general manager of a small business, I found the documents provided by the House of Commons finance department rather convoluted and hard to follow. Once

Michelle Simson served as the Liberal Member of Parliament for Scarborough Southwest from October 2008 to May 2011. She was the first MP to voluntarily disclose complete details of her annual MP’s budget and post online. You can access her financial disclosure and compare it to the “disclosure” for all MPs at michellesimson.ca.





my office developed the template in the detail we felt Canadians deserved, with very little fanfare and the blessing of my party, we went live with the numbers on my website in July 2009.

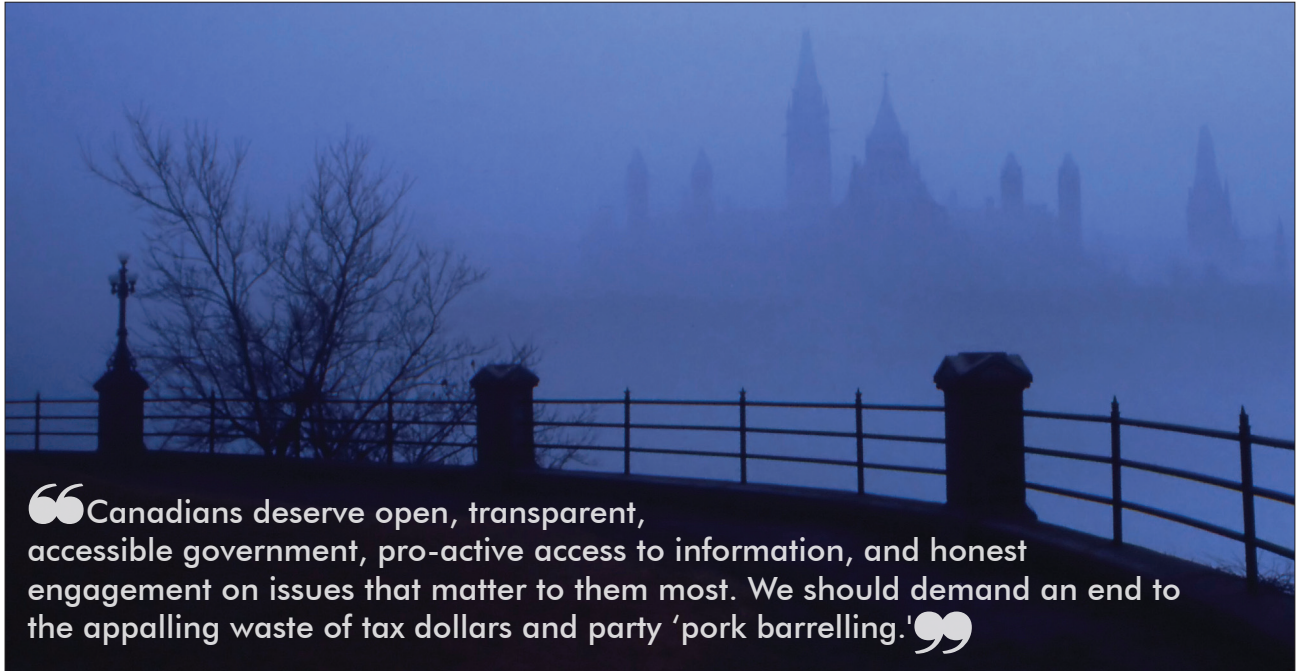
The reaction to that simple easy act was incredible. I received hundreds of e-mails and letters from across the country. The com-

“One thing I could and would do if elected would be to post my budget expenses ... every last penny with detailed explanations.”

monality in the messages was astounding. First, not one commented on how I spent the money, just the fact they were delighted I shared the detail of the expenditures at all. On a more solemn note, almost all of them applauded my action as one being that of the “only honest politician in the country.” In other words, the public perception is that if you aren’t disclosing full details about your spending, you must have something to hide and/or are arrogantly feeding at the public trough, a trough filled with *their* money.

Very little came of my disclosure until May, 2010. It was then I became familiar with what I now refer to as “The Green Wall” (green because it’s lined with taxpayers’ money), formally known as the Board of Internal Economy (BOIE). The BOIE is comprised of a select few MPs from all parties, a body that closes ranks across party lines and one which meets and deliberates in absolute secrecy. Members are not even able to discuss their deliberations with their own caucuses. It was during that time the MLA spending scandal erupted on the east coast and the Board declined a request by Sheila Fraser to audit the HOC “books.” I had suddenly become the poster gal for honest, open and transparent government, a role that while extremely popular with Canadians and the media, was deemed unacceptable by some BOIE members.

By breaking ranks in 2009, I was “guilty” of making them all look bad, despite the fact four other colleagues decided to fully disclose their spending that spring as well. It was a trend that was not to be encouraged, but thanks to the outrage expressed to the



“Canadians deserve open, transparent, accessible government, pro-active access to information, and honest engagement on issues that matter to them most. We should demand an end to the appalling waste of tax dollars and party ‘pork barrelling.’”

unfolding events by Canadians, could no longer be ignored. The Board had to relent. After weeks of vacillation, the auditor general was going to be permitted to perform a “limited audit” of the parliamentary accounts and a new expanded format for disclosure of MP expenses was introduced. It was, in my opinion, still woefully inadequate.

Categories of spending were lumped together making it virtually impossible to determine say, for instance, how much an MP spent on “hospitality” and how much was dedicated to hosting events in the riding. The annual MP living allowance of \$25,000 and travel budgets still lacked the detail most Canadians would like to see. The public was told the safeguards to prevent abuse were in place but that proved not to be the case. Several MPs were found to have received living allowances far in excess of what they were entitled to, the penalty for which was to simply pay back the money. While two of them were identified by the media, the BOIE refused to identify the others, citing privacy concerns. Case closed.

In the months that ensued, pressure was brought to bear on the five MPs that were providing full expense disclosure to remove their numbers from their web sites. Sadly three re-

lented, leaving two of us to “go it alone.” No amount of retribution would ever convince me I hadn’t done the right thing. What it did do was strengthen my resolve to devote my time and energy to help bring about cultural change in Ottawa.

The most recent election ushered in many young, bright MPs, some not expecting to win, but now claiming they represent a fresh, new change from the way politics has been done in the past. They have the opportunity to effectively and ethically define the role of an MP and not have the existing culture re-define them. A starting point is to support and encourage them to pro-actively detail and post the spending of their MP budgets online. They don’t have to wait for the BOIE. They don’t have to wait for the auditor. If enough do it, they don’t have to fear retribution.

Canadians deserve open, transparent, accessible government, pro-active access to information, and honest engagement on issues that matter to them most. We should demand an end to the appalling waste of tax dollars and party “pork barrelling.” After far too many years of partisan rhetoric and endless minority government campaigning, we must accept nothing less.❖

MAJORITY:

Will The Conservatives Deliver a Taxpayer Friendly-Agenda?



Gregory Thomas

For the first time in 23 years, Canadians elected a Conservative majority government. Voters chose Stephen Harper over a Liberal leader who campaigned to end tax cuts for Canadian businesses and an NDP leader who proposed a steep increase

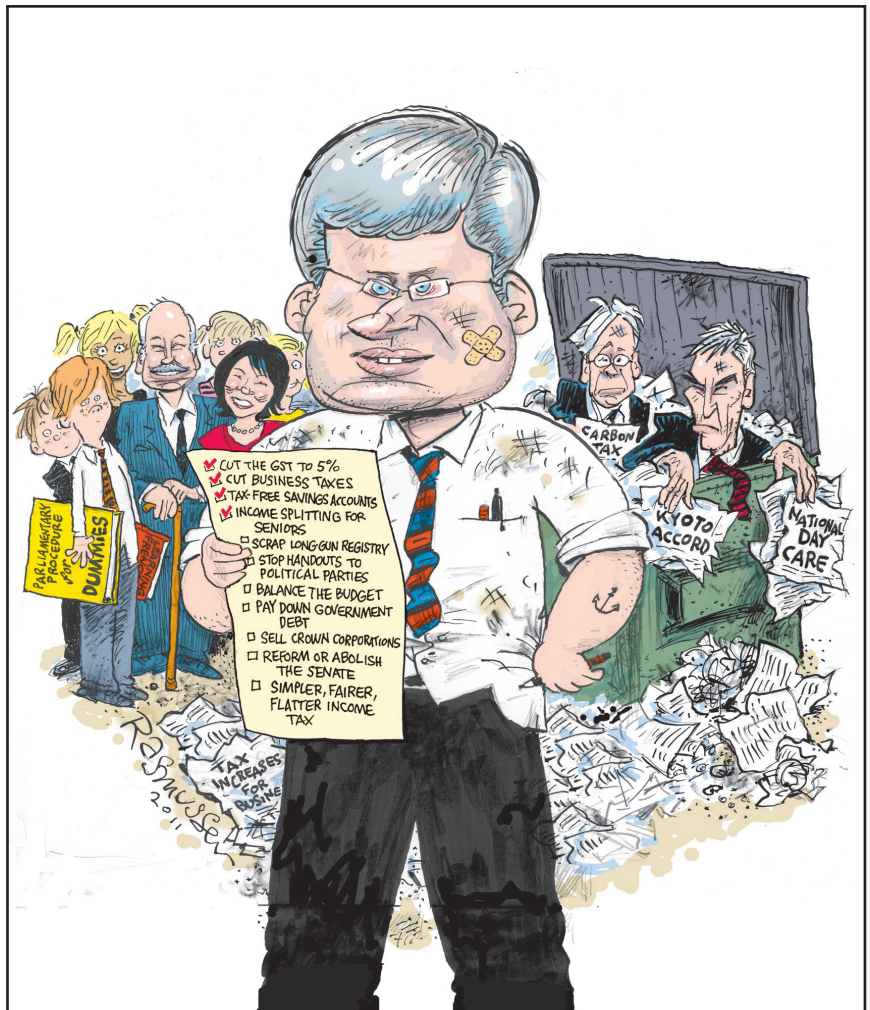
in Canada Pension Plan payroll taxes.

The Prime Minister seemed to get a pass from the electorate on his performance as a financial manager, with voters chalking up the embarrassing string of big deficits to circumstance: the financial crisis of 2008, the ensuing recession and the never-ending spending demands of the opposition. Voters are no doubt hopeful that a majority government will bring stability to government and balance to the budget.

Leading into the campaign, The Canadian Taxpayers Federation's National Debt Clock had no sooner completed its epic national tour on the shores of the Atlantic, when the Prime Minister vowed to stop the clock and balance the federal budget by 2014, a year earlier than previously scheduled.

For the most part, Stephen

Harper stuck to his guns throughout the 2011 campaign. He refused, for example, to make extravagant election promises. A case in point: a pledge to double the maximum annual contribution to the Tax Free Savings Account from \$5,000 to \$10,000, he postponed until after the federal budget is balanced. Another point of disagreement with the tax-and-spend crowd: he opposed hikes in Canadian



Pension Plan payroll taxes suggested by Layton to partially pay for a lavish pitch to future pensioners.

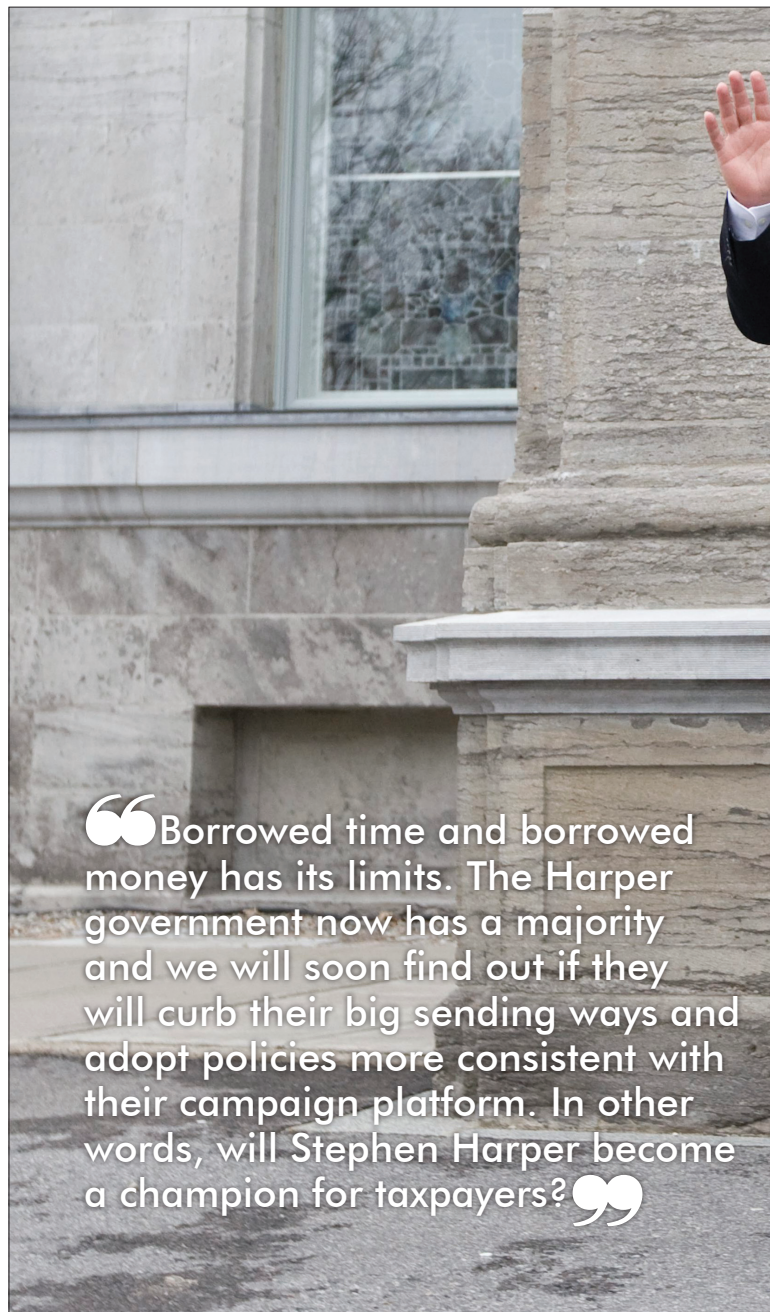
Layton emerged as Harper's principal rival, as Quebec voters flocked to the candy store that passed for an NDP platform. And Harper endured a painful setback in Quebec, losing six of his 11 MPs, with three cabinet ministers going down to defeat, after he pointedly refused to enter a bidding war – refusing demands from Quebec City's mayor that Canadian taxpayers fund the construction of a new NHL arena.

When the dust settled, Layton had picked up 58 seats in Quebec, but only nine in the rest of Canada, even losing seats in Winnipeg and Sault Ste. Marie. Despite the setback in Quebec, Harper emerged with 23 more seats than he started with, securing the majority that eluded him for seven years and three previous campaigns. Michael Ignatieff and the Liberals dropped 43 seats, to finish in third place.

Harper and his finance minister, Jim Flaherty, lay claim to Canada's stability and prosperity relative to the United States and parts of Europe, in the wake of the 2008 financial crisis. But how much credit do they deserve? After all, it was the previous Liberal government that cut spending, balanced the budget and repaid debt. Canada was in a position to weather the economic storm better than most because of those policies enacted in the 1990s.

Since Harper and Flaherty took charge of the nation's finances, the federal bureaucracy has grown by 39,000 bodies. Flaherty has only delivered a surplus twice since taking office, cutting the national debt by \$22.4 billion by the spring of 2008. Since then, he has run deficits three years straight, pushing Canada deeper in the red by \$97.6 billion. This year, he expects to add \$32.3 billion to the national debt, followed by \$19 billion in 2012 and \$9 billion in 2013.

While federal revenues took a pounding during the financial crisis of 2008 and 2009, it is federal spending that has pushed the gov-



“Borrowed time and borrowed money has its limits. The Harper government now has a majority and we will soon find out if they will curb their big spending ways and adopt policies more consistent with their campaign platform. In other words, will Stephen Harper become a champion for taxpayers?”

ernment's accounts deep into the red. The government's tax haul plunged from \$242 billion in 2007 to \$218 billion in 2009, but spending surged to \$274 billion that year, and this year it is expected to come in at \$283 billion. That's up 35% from the \$209 billion in federal spending when Harper and Flaherty took office five years ago.

It's also true that the Harper Conservatives cut the Goods and Services Tax by two points,

Photo: Canadian Press/Sean Kilpatrick



to 5%. They implemented a staged reduction in taxes on business income, they implemented income splitting for senior citizens and introduced Tax Free Savings Accounts. These measures also helped contribute to Canada's relative good economic fortune.

But borrowed time and borrowed money has its limits. The Harper government now has a majority and we will soon find out if they will curb their big spending ways and

adopt policies more consistent with their campaign platforms. In other words, will Stephen Harper become a champion for taxpayers?

In this issue of *The Taxpayer*, we set out 20 priorities for the new Conservative majority. And it's no surprise, job #1 is balancing the budget by cutting spending.

Where to start? Scrap gold-plated MP pensions and use that leadership to reform pensions across the public sector and show backbone at the bargaining table with public sector unions.

We'll be pushing to see that the wasteful long-gun registry finally bites the dust, once and for all. It's the same story for the \$2 vote-tax subsidy to political parties and handouts to special interest groups.

We'll be standing up to criticize government ministers when they fly into Canadian cities and towns, delivering pork-barrelling cheques to lucky applicants.

The Top 20 list combines longstanding CTF priorities, supporter survey results and taxpayer-friendly policies promised by the Conservatives on the campaign trail.

For example, we want to see the government put an end to handouts and bailouts for profitable companies such as Toyota, Ford and Pratt and Whitney. This, along with ending the practice of taxing taxes (see page 14) and improving access to information laws are all long-standing Conservative promises that have yet to see the light of day.

The Top 20 list is also a roadmap for the CTF to guide our priorities over the next several years and set goals that lend themselves to lower taxes, less waste and accountable government.

Congratulations to Stephen Harper and the Conservatives. We'll work with the government on many initiatives going forward and hold them accountable on many others.

We hope to offer them praise many times, but, as always, are prepared to blow the whistle when they run afoul of the best interests of taxpayers. ♦

CTF's Top 20 Policy Priorities for the Harper Government

1. Balance the budget by 2014 without raising taxes and then start paying down the debt. Keep your election promise to balance the budget and then keep Canada's books in the black. Deficit-free and low-debt governments do a better job of protecting their people in times of crisis.

2. Reform public sector pensions starting with the MP Pension Plan. Eliminate taxpayer-guaranteed indexed pensions for life (defined benefit) and move MPs and *new* federal workers into the pooled registered pension plan (defined contribution).

3. Grow a spine in public sector contract negotiations. You made a great first step when you stopped the crazy practice of paying severance to bureaucrats who voluntarily quit their jobs. Canadians don't want government workers making more money than everybody else. If unions want to strike, run the government without them.

4. Scrap the long gun registry once and for all. Repeal Bill C-68 and all long gun licensing requirements. Farmers and duck hunters shouldn't be burdened by government red tape.

5. Reform Parliament and say goodbye to the 19th century. A lot has changed since 1867 – it's time to bring the number of House of Commons seats from Ontario, Alberta and British Columbia in line with their populations. It's time to elect or abolish the Senate.

6. Require aboriginal politicians to disclose their pay packages. First Nations politicians should disclose their pay online no different than any other politician.

7. Abolish corporate welfare and stop the pork-barreling regional development handouts. Stop handing out money to foreign multi-nationals like Pratt and Whitney, Toyota and GM. Use the money to cut tax rates so smart, hard-working Canadians can build real companies in locations where it makes sense.

8. Scrap Cap and Trade plans. The policy has proven an expensive and corrupt-laden failure. Until China, India and Saudi Arabia agree, why would we cripple our energy producers and our economy?

9. Scrap the \$2 per vote party subsidy and eliminate the gold-plated tax credit for donations to political parties. Funding political party attack ads is not a proper use of tax dollars. And why should a donation to a political party get a bigger tax credit than a donation to the Salvation Army or Red Cross?

10. End the practice of taxing taxes, starting with gasoline. What kind of third-world banana republic puts a tax-on-tax?

11. Turn Employment Insurance into an insurance program where rates are based on risk, eligibility is applied equally across the country and re-training programs are treated separately.

12. Stop sending foreign aid to third-world dictatorships. No elections? No religious freedom? No rule of law? No Canadian aid money.

13. Enact citizen initiative and recall legislation. Voters seldom get riled up enough to put a million signatures on a petition. But, when they do, it should mean something.

14. Double the Tax Free Savings Account limit. Keep your promise to double the maximum contribution once the budget is balanced.

15. Ease the Canada Health Act and allow provinces to experiment with private alternatives to the failed model of state-rationed care.

16. Post MP expenses online. People want to be able to go on the Internet, pull up their MP's expenses and look at all the receipts. Let them, it's their money.

17. Lower, simpler, flatter income taxes. Simplify the *Income Tax Act* by eliminating loopholes, reducing the number of tax brackets and lowering the rates. The *Income Tax Act* has grown from 11 pages when it was first introduced to 2,984 pages today. Put a fork in it!

18. Get government out of business. Canada is doing fine without government gas stations, airlines and plane manufacturers. Why do we still own a courier company and a passenger rail service?

19. Enough already with the handouts to special interest groups. It's a free country – if citizens have an axe to grind, let them raise their own money from their own supporters.

20. Ease up on the secrecy and the stonewalling. Keep your 2005 promise to strengthen freedom of information laws. Stop making citizens jump through expensive and unnecessary hoops to get information that belongs to them.

Retired and Defeated MPs Pull \$115 million Pension Ripcord

Will MP Pension Reform Finally Gain Traction?

By Derek Fildebrandt and
Troy Lanigan

Shortly after the ballots of the May 2nd election were counted, the CTF dropped a bomb that shifted attention away from the winners and towards the losers. Those who lost the election weren't so much "losers" though, as they pulled the ripcord on their golden parachutes known as MP pensions.

That soft landing for 113 retired and defeated MPs will total \$4.9 million in year one and a cumulative \$115 million by the time they reach age 80.

“As for the lifetime sweepstakes (estimated benefits to age 80) 5 MPs enter the \$3 million dollar-plus club including: Keith Martin (\$3.9 million), Albina Guarnieri (\$3.8 million), Jay Hill (\$3.3 million), Chuck Strahl (\$3.3 million) and Michel Guimond (\$3 million).”

Seventeen former MPs will gather more than \$100,000-plus a year in pension income including: Peter Milliken (\$147K), Gilles Duceppe (\$141K), Joe Volpe (\$120K) and Jean-Pierre Blackburn (\$106K).

As for the lifetime sweepstakes (esti-

mated benefits to age 80) five MPs enter the \$3 million dollar-plus club including: Keith Martin (\$3.9 million), Albina Guarnieri (\$3.8 million), Jay Hill (\$3.3 million), Chuck Strahl (\$3.3 million) and Michel Guimond (\$3 million). An additional 19 MPs will receive more than \$2 million before reaching age 80.

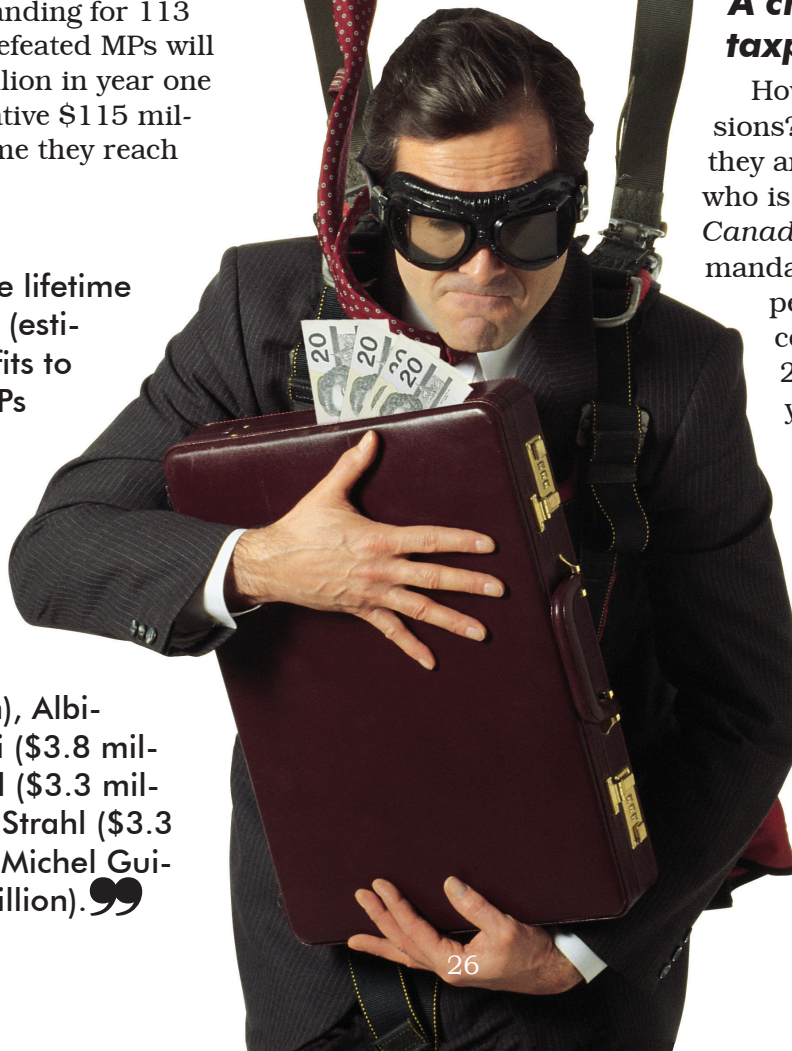
A crime against taxpayers

How rich are these pensions? Well, for starters, they are *illegal* for anyone who is not a politician. The *Canada Revenue Agency* mandates that no registered

pension plan can exceed an accrual rate of 2% of salary for each year worked. MPs by contrast receive between 3% and 6%.

Simply put, the politicians passed a law that carves their pensions into several smaller ones thereby bypassing the laws that apply to the rest of us.

Currently, for every \$1 contributed by a politician to their pension, taxpayers





Fat cat bonanza for election losers!

By Veeno Diwan

Nice job if you can get it! Many outgoing MP's defeated in the federal elections will take home outrageous pension



B.C. are in line to collect a combined \$18.6 million in pension now that they've

age 60 which is in keeping with the Canada Pension Plan.

contribute \$5.50. Annually, that works out to \$4.5 million from MPs and Senators, and \$24.8 million from taxpayers.

Proposals for reform

The CTF is not opposed to a pension plan for MPs. Rather, the CTF wants MP pensions to be brought in line with norms in the private sector and that politicians not exempt themselves from the rules that apply to the taxpayers they supposedly represent. That means:

- Taxpayers match MP contributions dollar for dollar. No more, no less;
- MP and taxpayer contributions be invested in an RRSP-style "defined contribution" plan, rather than a "defined bene-

fit" payout from taxpayers; and

- Bring the age MPs are eligible to collect pension benefits to no earlier than

MPs React

On a CBC television debate with the CTF, retired Liberal MP Keith Martin deflected at-

Freedom 55

Defeated or retiring MPs are eligible to collect a fully indexed pension at age 55 if they have served at least six years in the House of Commons. MPs who have not served the minimum years and receive no pension collect a severance equal to 50% of their total salary. Former MPs who are eligible for a pension but have not reached the age of 55 are entitled to both a severance and pension. If a member turns 55 years old within six months of being eligible for a pension, a reduced severance cheque is paid to them. Lump sum severance payments range from a low of \$78,866 to a high of \$116,624 – the latter figure paid out to defeated Liberal leader Michael Ignatieff and several ministers.



Defeated New Democrats

MP	Constituency	Annual Estimate	Lifetime Estimate	Severance
Martin, Tony	Sault Ste. Marie	\$33,856	\$755,733	N/A
Siksay, Bill	Burnaby-Douglas	\$20,471	\$731,846	N/A
Maloway, Jim	Elmwood-Transcona	N/A	N/A	\$78,866



Calculating MP Pensions

An MP's "defined benefit" is calculated as their five best years of salary, multiplied by:

- The number of total years of service, and
- 3%.

For MPs who serve additional roles (party leader, committee chair, etc), they build upon their 3% in proportion of their extra salary to their basic salary. For example, a minister making 50% more than a backbencher will accrue 5% a year instead of 3%. Importantly, these calculations are made using current salaries. So, if a defeated MP is not eligible for a pension for ten years, the calculations are based on the salaries at the time of eligibility, not the salaries when the MP was working.

MPs contribute 7.1% of their salary to their pension up to a maximum of 25 years at which time they "max out" (eligible for 75% of their salary in retirement) and are no longer required to make contributions. Taxpayers make up the difference between the fully-indexed "defined benefit" and what MPs have contributed to their plans. ♦

tention away from the richness of his own pension by suggesting that all Canadians deserve similar benefits. If every Canadian over the age of 55 collected a pension the size of Keith Martin's, it would cost \$929 billion every year, a sum three-and-a-half times the entire federal budget. Mr. Martin was first elected as a Reform MP who opted out of the MP pension plan promising never to collect such largesse. Twenty-one years later he will enjoy estimated benefits to age 80 of \$3.9 million.

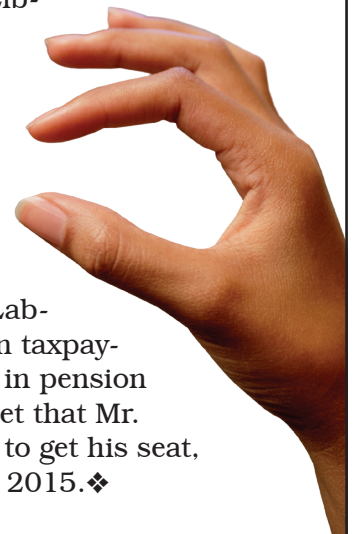
Re-elected Conservative MP Leon Benoit (also first elected as a Reformer) reacted to CTF reform proposals saying that, "Politically, it's not the kind of thing that moves our agenda ahead in any way, it's a distraction, quite frankly to get into anything like that."

New Democrat Charlie Angus stated, "Every time I mention pensions it's going to get me abused at Tim Horton's, but hey, you know, people are going to be upset about something."

Former NDP Premier of B.C. and now defeated Liberal MP, Ujjal Dosanjh finds himself in the enviable position of double dipping with \$40,000 federally in addition to \$35,000 from B.C.. He confidently responded to the CTF's calculation of his pension that it was "absolutely

Missed by an Inch

Even the most ardent foe of gold-plated MP pensions has to feel for Todd Russell. The Liberal MP from Labrador was defeated less than one month short of qualifying for his pension, being elected in a May 24, 2005 by-election. Because he was young, the voters of Labrador saved Canadian taxpayers almost \$600,000 in pension payouts. It's a good bet that Mr. Todd will be running to get his seat, and pension, back in 2015. ♦



MP pensions border on contempt for taxpayers



BARBARA YAFFE

The foxes remain in charge of the federal henhouse following last week's election, with not a single politician stepping forward to champion the idea of reforming the MP pension plan.

The Canadian Taxpayers Federation, in its latest campaign, has called for quick

decades, to no avail. MPs have been far too interested in their own welfare to reform a scheme allowing for \$100,000-plus payouts to the retired and defeated among them.

The current crop of fat cats includes defeated Bloc Quebecois leader Gilles Duceppe, receiving a fully indexed annual pension of \$141,000; retiring Liberal MP Keith Martin, \$102,308; and retiring Conservative Chuck Strahl, \$119,320.

In total, pensions for more than 100 MPs and senators

Canada's over-all pension system is hugely inadequate and in need of reform. Federal and provincial politicians lately have been jawing about changes. But it's sure taking a long time when you consider how quickly MPs move when passing legislation securing their own benefits.

And that's an important point. It is because MPs are so well paid, receiving base salaries of nearly \$160,000 a year, that they can afford

In addition, any MP serving six years can start collecting the pension at age 55.

"At a time most Canadians worry about their retirement income," the taxpayers federation states in a news release, "our elected officials have insulated themselves with a plan so rich that it borders on contempt."

Several provinces — Ontario and Alberta among them — have managed to

tract the right sort of person to public service. But good intentions clearly have led to overcompensation.

In the 1990s, Preston Manning's populist Reform party called for change, with its members opting out of the plan in 1995.

A few years later, the Reformers made fools of themselves by opting back in when they saw that MPs from all the other parties were handing out

Senate or other government salary.

The Harper government is aware of the pension reform issue, but has no plan to act on it, reports spokesman Andrew MacDougall.

It now has a majority could move on this, but it plans to phase out the tax breaks for MPs.

It's a pity that the

we're de-

feated. There's

deserved."

For a group of

people that can't agree on the color of grass, all parties are remarkably united in defense of the status quo when it comes to their pensions.

Is this time different?

MP pension calculations released by the CTF have always earned widespread media coverage and public outrage. But this year seemed different. We received far more genuine public feedback than we ever have in the past.

For starters, 43 Bloc MPs either retired or

something of a pit that one feels in the belly knowing that Gilles Duceppe will receive a fully indexed pension of \$141,000 a year from the very taxpayers whose country he sought to break-up.

Second, why do we allow our politicians to get away with one set of rules for themselves, and another set of rules for the rest of us? It's not only that taxpayers could never hope to receive such generous pension benefits; it's that the politicians have actually manipulated the laws to benefit only themselves. It's shameful.

Third, we're broke. At a time the feds alone are borrowing \$88.5 million a day, are these kinds of payouts affordable?

Defeated & Retiring Conservatives

MP	Constituency	Annual Estimate	Lifetime Estimate	Severance
Thompson, Greg (Hon.)	NB Southwest	\$124,121	\$2,561,958	N/A
Blackburn, Jean-Pierre (Hon.)	Jonquière-Alma	\$106,587	\$2,379,215	N/A
Lunn, Gary (Hon.)	Saanich-Gulf Islands	\$79,985	\$2,216,032	N/A
Casson, Rick	Lethbridge	\$73,657	\$1,644,159	N/A
Day, Stockwell (Hon.)	Okanagan-Coquihalla	\$64,760	\$1,674,209	N/A
Guergis, Helena (Hon.)	Simcoe-Grey	\$39,675	\$1,099,225	\$78,866
Boucher, Sylvie	Beauport-Limoilou	N/A	N/A	\$78,866
Cadman, Dona	Surrey North	N/A	N/A	\$78,866
Cannon, Lawrence (Hon.)	Pontiac	N/A	N/A	\$78,866
Petit, Daniel	Charlesbourg-Haute-Saint-Charles	N/A	N/A	\$78,866
Arthur, André*	Portneuf-Jacques-Cartier	N/A	N/A	\$78,866

*Independent MP who voted mostly with the Conservative Party



MP PENSION RIPCORD

Finally, and perhaps most importantly, is the moral imperative. Like their political bosses, public sector unions enjoy defined benefit pensions that are accumulating multi-billion dollar unfunded liabilities. Whether its private sector examples like General Motors or public sector examples like Canada Post; defined benefit pension benefits must be reformed over the coming years.

But how are politicians to approach this responsibility when they themselves enjoy benefits that would make an Arab sheik blush?

17-Day Retirement

Imagine getting \$117,000 in severance payout for missing 17 days of work.

Tory cabinet minister Josée Verner – who lost her Quebec City area seat – was entitled to that amount, even after being appointed to the Senate 17 days later. That is more than \$6,800 for each day of work missed to help in the “transition” of moving her office down the hall.



They can't. Leadership has to start at the top. The need to reform MP pensions is a precursor to both their legitimacy and sincerity in properly managing our tax dollars and addressing the very serious fiscal issues – namely an aging public sector workforce – that lie on the horizon.

Next steps

Shortly after the May election the CTF sent letters to both Prime Minister Harper and Opposition Leader Layton respectively, calling on them to set a new tone for Parliament – and indeed politics in Canada – by reaching across the aisle and reforming MP pensions. Neither responded.

The strategy of politicians is always the same: the issue only comes up once every election so lay low, stick together and let the fury pass. The pocket-lining at the end is more than worth it.

But the CTF has surveyed you, our supporters, and a decision has been made to *not* let this issue disappear from the radar screen for four years. This fall we will be launching a new campaign that promises to put and keep this issue on the front burner.

We can win! Over the years we've successfully led campaigns demanding politicians pay tax (previously as much as one-third of a legislator's salary was exempt from income tax); we've reformed MLA and MPP pensions in the provinces to a self-funding RRSP-type

Pensions for Old Reformers

(Class of 93 all opted out of gold-plated pension only to opt back in after 1998 election)

MP	Constituency	Annual Estimate	Lifetime Estimate	Severance
Strahl, Chuck (Hon.)	Chilliwack—Fraser Canyon	\$119,320	\$3,305,820	N/A
Hill, Jay (Hon.)	Prince George — Peace River	\$111,837	\$3,312,601	N/A
Abbott, Jim (Hon.)	Kootenay—Columbia	\$104,323	\$1,356,945	N/A
Martin, Keith (Hon.)	Esquimalt—Juan de Fuca	\$102,308	\$3,880,546	N/A
Cummins, John	Delta-Richmond East	\$102,169	\$1,328,921	N/A

“The Canadian Taxpayers Federation, in its latest campaign, has called for quick action to get federal snouts out of the pension trough.”

Barbara Yaffe
Vancouver Sun



arrangement and more recently, led an effort that resulted in the auditor general being able to open the books of Parliament for the first time in 20 years.

Stay tuned!❖

Pensions for Defeated & Retiring Bloc Quebecois

MP	Constituency	Annual Estimate	Lifetime Estimate	Severance
Duceppe, Gilles	Laurier--Sainte-Marie	\$140,765	\$2,905,486	N/A
Bachand, Claude	Saint-Jean	\$105,544	\$2,924,145	N/A
Asselin, Gérard	Manicouagan	\$104,691	\$2,706,523	N/A
Lalonde, Francine	La Pointe-de-l'Île	\$102,569	\$1,054,837	N/A
Gagnon, Christiane	Quebec	\$99,472	\$2,220,409	N/A
Guimond, Michel	Montmorency—Charlevoix—Haute-Côte-Nord	\$98,028	\$3,097,418	N/A
Guay, Monique	Rivière-du-Nord	\$95,152	\$2,636,246	\$78,866
Bigras, Bernard	Rosemont—La Petite-Patrie	\$73,606	\$2,039,285	\$78,866
Cardin, Serge	Sherbrooke	\$69,791	\$1,804,264	N/A
Roy, Jean-Yves	Haute-Gaspésie—La Mitis—Matane—Matapédia	\$57,177	\$1,375,597	N/A
Paquette, Pierre	Joliette	\$50,593	\$1,808,694	N/A
Laframboise, Mario	Argenteuil—Papineau—Mirabel	\$49,087	\$1,359,981	\$78,866
Bourgeois, Diane	Terrebonne—Blainville	\$48,548	\$1,167,988	N/A
Pomerleau, Roger	Drummond	\$41,315	\$852,783	N/A
Gaudet, Roger	Montcalm	\$38,751	\$675,727	N/A
Ménard, Serge	Marc-Aurèle-Fortin	\$37,652	\$437,646	N/A
Lessard, Yves	Chambly—Borduas	\$37,644	\$543,442	N/A
Blais, Raynald	Gaspésie—Îles-de-la-Madeleine	\$37,534	\$1,262,657	N/A
Lavallée, Carole	Saint-Bruno—Saint-Hubert	\$37,250	\$1,253,099	N/A
Bouchard, Robert	Chicoutimi—Le Fjord	\$37,121	\$535,895	N/A
Bonsant, France	Compton—Stanstead	\$36,929	\$1,093,843	N/A
Vincent, Robert	Shefford	\$36,929	\$1,023,150	N/A
Demers, Nicole	Laval	\$33,856	\$938,004	\$78,866
Faille, Meili	Vaudreuil-Soulanges	\$32,182	\$891,614	\$78,866
André, Guy	Berthier—Maskinongé	\$31,592	\$875,284	\$78,866



MP PENSION RIPCORD

Pensions for Retiring & Defeated Bloc Quebecois continued

MP	Constituency	Annual Estimate	Lifetime Estimate	Severance
Brunelle, Paule	Trois-Rivières	\$31,592	\$998,233	N/A
Carrier, Robert	Alfred-Pellan	\$31,592	\$367,214	N/A
Lemay, Marc	Abitibi—Témiscamingue	\$31,592	\$875,284	N/A
Lévesque, Yvon	Abitibi—Baie-James— Nunavik—Eeyou	\$31,592	\$348,182	N/A
Ouellet, Christian	Brome—Missisquoi	\$24,649	\$76,414	N/A
Beaudin, Josée	Saint-Lambert	N/A	N/A	\$78,866
DeBellefeuille, Claude	Beauharnois—Salaberry	N/A	N/A	\$78,866
Desnoyers, Luc	Rivière-des-Mille-Îles	N/A	N/A	\$78,866
Dorion, Jean	Longueuil—Pierre-Boucher	N/A	N/A	\$78,866
Dufour, Nicolas	Repentigny	N/A	N/A	\$78,866
Freeman, Carole	Châteauguay—Saint-Constant	N/A	N/A	\$78,866
Laforest, Jean-Yves	Saint-Maurice—Champlain	N/A	N/A	\$78,866
Malo, Luc	Verchères—Les Patriotes	N/A	N/A	\$78,866
Mourani, Maria	Ahuntsic	N/A	N/A	\$78,866
Nadeau, Richard	Gatineau	N/A	N/A	\$78,866
Paillé, Daniel	Hochelaga	N/A	N/A	\$78,866
Paillé, Pascal-Pierre	Louis-Hébert	N/A	N/A	\$78,866
St-Cyr, Thierry	Jeanne-Le Ber	N/A	N/A	\$78,866
Thi Lac, Ève-Mary Thai	Saint-Hyacinthe—Bagot	N/A	N/A	\$78,866
Guimond, Claude	Rimouski-Neigette— Témiscouata—Les Basques	N/A	N/A	\$78,866

Defeated & Retiring Liberals

MP	Constituency	Annual Estimate	Lifetime Estimate	Severance
Milliken, Peter (Hon.)	Kingston and the Islands	\$147,316	\$2,800,970	N/A
Guarnieri, Albina (Hon.)	Mississauga East-Cooksville	\$121,687	\$3,844,993	N/A
Volpe, Joseph (Hon.)	Eglinton-Lawrence	\$120,392	\$2,484,977	N/A
Lee, Derek	Scarborough-Rouge River	\$118,630	\$2,648,048	N/A
Minna, Maria (Hon.)	Beaches-East York	\$109,803	\$2,451,002	N/A
Szabo, Paul	Mississauga South	\$104,596	\$2,334,772	N/A
Malhi, Gurbax (Hon.)	Bramalea-Gore-Malton	\$103,617	\$2,492,874	N/A
Patry, Bernard	Pierrefonds-Dollard	\$99,354	\$1,434,303	N/A
Cannis, John	Scarborough Centre	\$97,902	\$2,712,444	N/A
McTeague, Dan (Hon.)	Pickering-Scarborough East	\$96,677	\$2,678,499	\$78,866



MP PENSION RIPCORD

Defeated & Retiring Liberals continued				
MP	Constituency	Annual Estimate	Lifetime Estimate	Severance
Wilfert, Bryon (Hon.)	Richmond Hill	\$77,935	\$2,308,417	N/A
Folco, Raymonde	Laval-Les Îles	\$77,713	\$799,218	N/A
Jennings, Marlene (Hon.)	Notre-Dame-de-Grâce-Lachine	\$72,406	\$2,006,039	N/A
Proulx, Marcel	Hull-Aylmer	\$60,670	\$1,153,544	N/A
Murphy, Shawn (Hon.)	Charlottetown	\$56,399	\$1,562,567	N/A
Neville, Anita (Hon.)	Winnipeg South Centre	\$54,544	\$709,457	N/A
Tonks, Alan	York South-Weston	\$49,558	\$715,442	N/A
Bagnell, Larry (Hon.)	Yukon	\$49,283	\$1,185,672	N/A
Dryden, Ken	York Centre	\$38,242	\$789,354	N/A
Silva, Mario	Davenport	\$34,929	\$967,734	\$78,866
Rota, Anthony	Nipissing-Timiskaming	\$33,364	\$924,358	\$78,866
Ratansi, Yasmin	Don Valley East	\$33,100	\$917,051	N/A
Rodriguez, Pablo	Honoré-Mercier	\$32,743	\$907,157	\$81,708
Holland, Mark	Ajax-Pickering	\$32,389	\$897,369	N/A
D'Amours, Jean-Claude	Madawaska-Restigouche	\$31,837	\$882,053	\$78,866
Bains, Navdeep (Hon.)	Mississauga-Brampton South	\$31,706	\$878,435	\$78,866
Deschamps, Johanne	Laurentides-Labelle	\$31,592	\$875,284	\$78,866
Dhalla, Ruby	Brampton-Springdale	\$31,592	\$875,284	\$78,866
Savage, Michael	Dartmouth-Cole Harbour	\$31,592	\$875,284	\$78,866
Wrzesnewskyj, Borys	Etobicoke Centre	\$31,592	\$875,284	\$78,866
Ignatieff, Michael	Etobicoke-Lakeshore	N/A	N/A	\$116,624
Coady, Siobhan	St. John's South-Mt Pearl	N/A	N/A	\$78,866
Crombie, Bonnie	Mississauga-Streetsville	N/A	N/A	\$78,866
Dhaliwal, Sukh	Newton-North Delta	N/A	N/A	\$78,866
Garneau, Marc	Westmount-Ville-Marie	N/A	N/A	\$78,866
Hall Findlay, Martha	Willowdale	N/A	N/A	\$78,866
Kania, Andrew	Brampton West	N/A	N/A	\$78,866
Kennedy, Gerard	Parkdale-High Park	N/A	N/A	\$78,866
Lamoureux, Kevin	Winnipeg North	N/A	N/A	\$78,866
Mendes, Alexandra	Brossard-La Prairie	N/A	N/A	\$78,866
Murphy, Brian	Moncton-Riverview-Dieppe	N/A	N/A	\$78,866
Oliphant, Robert	Don Valley West	N/A	N/A	\$78,866
Pearson, Glen	London North Centre	N/A	N/A	\$78,866
Simson, Michelle	Scarborough Southwest	N/A	N/A	\$78,866
Zarac, Lisa	LaSalle--Émard	N/A	N/A	\$78,866

CTF on the Web

In the first half of 2011, more than 85,000 unique visitors logged on to Taxpayer.com. But the CTF's online presence is far greater than the website. Our blog and social network sites allow you to interact directly with CTF staff and thousands of other concerned taxpayers and activists from across Canada. Join the conversation today!

Action Updates

Want to stand up and be heard by politicians? Get our Action Updates by joining here: taxpayer.com/join. These e-mails are a tool to help any taxpayer committed to lower taxes, less waste and accountable government stay up to speed on the latest issues and join tens of thousands of others to make an impact that cannot be ignored.

Taxpayer.com
Stand Up. Be Heard!

Dear Supporter:

The Canadian Taxpayers Federation has sent [letters](#) to Opposition Leader Jack Layton and Prime Minister Stephen Harper urging them to reach across the aisle and reform bloated parliamentary pensions.

Can you think of a better way to set a new tone in Parliament?

The CTF has been in the [headlines](#) this week after [releasing calculations](#) showing 113 defeated and retired MPs from the 2011 General Election will collect a cumulative \$112 million in estimated lifetime pension benefits. Former Bloc Leader Gilles Duceppe for example, will rake in \$141,000 a year, fully indexed for life. That's nearly \$3-million by the time he reaches age 80.

These kind of self-serving arrangements feed voter cynicism and apathy. They must end! And maybe – just maybe – after 4 elections in the last 7 years our elected officials are ready to shelve all the posturing and truly set a new tone for politics in our country.

Can you take a minute right now and do two things:

1. E-mail [Prime Minister Stephen Harper](mailto:Harper.S@parl.gc.ca) (Harper.S@parl.gc.ca) and [Opposition Leader Jack Layton](mailto:Layton.J@parl.gc.ca) (Layton.J@parl.gc.ca).

facebook.com/taxpayerdotcom



Are you into Facebook? Find us by typing Canadian Taxpayers Federation in the search bar. "Like" our page to join 2,300 fans to get all the latest campaigns, petitions, videos, photos, and more in your Facebook news feed.



youtube.com/taxpayerdotcom

Visit our YouTube channel to view the latest videos and media clips, or to search through our video archives. We've literally got hundreds of videos on both federal and provincial issues and topics. We also have a list of favourite videos created by others that are worth



a watch. In early 2011, our Youtube channel surpassed 150,000 views. Happy viewing ...



twitter.com/taxpayerdotcom



@colincraig1

Quite possibly one of the most shameless vote-buying government announcements of all time - <http://bit.ly/xb99R> #manitoba
2:13 PM June 28



@ScottHennig

Are you kidding me? RT @petedejong: Federal government to pony up \$190,000 for doughnuts. #cdnpoli
July 8, 2:17:18 PM via Tweetdeck



@Dfildebrandt

Cool. RT @TheEconomist An alternative timeline for the past two millennia. Economist Daily Chart June 28th - <http://econ.st/ijFEwr>
2:13 PM June 28

Do you Tweet? Follow us on Twitter and join our 1,200 strong support base to get instant updates and links to the latest happenings at the CTF – even low speed police chases! Follow our provincial directors for instant updates specific to your region. Push the word out when issues break.



Kicking Taxes and Taking Names

Letting the hot air out of ecoENERGY retrofit program
Scott Hennig - Thursday, July 21, 2011 - 16:56

On July 13th the Federal Government renewed their ecoENERGY retrofit program. This \$400 million program boasts grants up to \$5,000 to homeowners who do energy efficient retrofits to their home. The theory is that this program incents people to make changes to their home that they wouldn't otherwise make themselves. Well, let's do some math on this: Let's say you want to replace your traditional hot water heater with a tankless instantaneous water heater (which by the way, is something I really do want to do in my home). According to Direct Energy,...

[full blog >>](#)

taxpayer.com/blog

Check out our blog on taxpayer.com for regular updates, stories, and other interesting bits from the CTF's provincial directors. Join

the discussion in the comments section and share your feedback with us and other CTF supporters.

BC MLAs still **STONEWALLING** on expense reports

Politicians in Victoria have opened the door a crack the way they spend public money on themselves. But BC MLAs are still behind other provinces, many Canadian cities and even Canada's Senators when it comes to coming clean on their expenses.

After months of urging from the CTF, members of the BC legislature finally released their annual expenses for the first time in the province's history. Spending totals for the previous fiscal year were published in the province's public accounts and released in July.

The overall picture is not pretty: in addition to taking \$9.2 million in salaries for the year, MLAs also collected \$1.4 million in travel expenses and over \$885,000 in capital city living allowances.

The figures don't include money paid to MLAs in their capacity as cabinet ministers: taxpayers paid an extra \$1 million in salary to the cabinet, over \$312,000 in capital city living allowances and nearly \$1 million in travel expenses. Operating their constituency offices cost taxpayers almost \$12 million more – no details are provided on how that money is spent.

Unfortunately, costs were reported in the public accounts on only two lines: travel and capital city living allowance. So taxpayers in the Nechako Lakes



“The overall picture is not pretty: in addition to taking \$9.2 million in salaries for the year, MLAs also collected \$1.4 million in travel expenses, and over \$885,000 in capital city living allowances.”

MLA John Rustad spent travel last year and 781 on accommodation and living expenses in Victoria, in addition to pulling down \$101,859 in salary and \$14,525 as a parliamentary secretary.

At least, Canadian Senators publish their expense reports every three months. Surf your web browser over to Saskatchewan and you can discover that your MLA didn't use her cell phone a lot in April, paying only \$39.10, while in May the tab rose to \$48.17.

The most galling abuse of the system in British Columbia continues to be Victoria-area MLAs billing taxpayers for food. Oak Bay MLA Ida Chong billed \$5,921 the previous year, despite living a 15-minute drive from the legislature.

This past year Chong reduced her food expenses to \$4,324. She earned \$147,565. Murray Coell pulled in the same impressive salary, but the Saanich MLA who also lives near the legislature only billed taxpayers \$680 for his nutritional needs. Victoria-based NDP MLA's were all over the map: former NDP leader Carole James charged

MLA expense disclosure falls short, says taxpayers

POSTMEDIA NEWS

B.C.'s long-awaited disclosure of MLA expenses is so bereft of details that it's of frustratingly little use to the public, says the Canadian Taxpayers Federation.

After a year of wrangling and negotiating, politicians published their expenses for the first time this week in the government's annual public accounts report.

additional public accounting was provided.

"It indicates a mindset that the B.C. Liberals and B.C. NDP have that they are going to stonewall and they're entitled to their entitlements and the public be damned," said the federation's spokesman, Gregory Thomas.

"Yes, we're getting MLA expenses. But we're getting a top-line expense, so they're years behind the rest of it."

to almost \$140,000 a year in per diems, stipends, constituency office operating expenses, meal allowances and other expenses. Previously, only cabinet ministers have had to publicly account for part of that spending.

This year's MLA expense report, covering April 2010 to March 31, 2011, included just two categories: travel and a capital city living allowance.

expensed \$5,921 in food using \$61 a day per diem available to MLAs.

Chong declared \$4,324 this year but said the lack of information doesn't let people compare her with other MLAs.

The rest of her cabinet colleagues, and MLAs outside Greater Victoria, have inflated totals because they include

British Columbia

\$1,797 for food. Leadership hopeful John Horgan charged \$2,463, while Rob Fleming billed \$2,091.

The biggest NDP spender, Saanich South's Lana Popham, told the *Victoria Times-Col-*

onist "there's many days I'm working 18 hours," justifying a \$3,046 tab. We'd encourage her constituents to attempt to book meetings with her at just before midnight to see if these 18 hour work days actually exist. ♦

David Hahn's ship comes in, yet again

Opposition critics cried foul when the latest pay package for David Hahn became public: the controversial BC Ferries boss took home \$1.1 million in 2010, even as ferry traffic to coastal communities sagged under the pressure of rising fares and a tough economy. Worse, in the eyes of his critics, Hahn's board of directors decided in 2006 that his annual public-service retirement pension of \$77,580 would be inadequate to support him in the style to which he's become accustomed at Ferries. So they voted to top it up by \$237,100, bringing Hahn's total annual retirement income to \$314,680, starting in just two years, when Hahn turns 62.

BC Ferries has refused to release the con-

sultant's report the board used to justify the whopping payment to Hahn and similarly generous packages for other senior executives. But the province's comptroller general called



Flickr: KAMS WORLD, KAM ABBOTT

the entire process into question in 2009, saying Hahn's pay package, even then, was more than double the average at four much larger Crown corporations: BC Hydro, ICBC, BC Lottery Corp and WorkSafe BC. ♦

iPads for everybody, as BC Liberals put their own families first again

First the B.C. government announced a pilot project sinking \$30,000 into a three-month trial of the

Apple iPad, providing 30 deputy ministers and senior officials with the popular wireless gadget. Then, without providing the public with any re-

port on the pilot project, the BC Liberals bought another 150 iPads, part of a bigger, costlier, \$150,000 investment. Cabinet ministers and government MLAs have been spotted carrying the portable reading and video-gaming devices in the legislature. And while the trial is now over – the iPads have not gone away.

And what about that report



Gregory Thomas
B.C. director

on their usefulness in conducting official business? It has yet to be seen. *Times Colonist* reporter Rob Shaw requested a copy of the report under access to information rules: he was told

he could have a copy in exchange for a hefty fee. Meanwhile, the BC Liberals are guarding taxpayer dollars in one significant way: no iPads have been authorized for NDP or independent MLAs. ♦

ayers' group

we're going to disclose we should at least have comparators." Although Chong's expenses can be compared with a handful of other Greater Victoria MLAs — of which she has the highest — it's impossible to line up with that of Cowichan Valley NDP MLA Bill Routley for example. Routley declared a conflict of interest.

In the spotlight:

Jonathan Denis

Minister of Housing and Urban Affairs



by **Scott Hennig**
VP Communications

At times the Canadian Taxpayers Federation (CTF) is accused of being too negative and not

spending enough time talking about what our politicians do right. Today, we turn the spotlight to a good news story right here at home. With the Alberta government currently running their fourth consecutive deficit budget, serious action must be taken to reduce spending. While some within the Alberta government are happy to simply raid the province's *Sustainability Fund*, others are taking the job more seriously. Alberta's Minister of Housing and Urban Affairs, Hon. Jonathan Denis, is one of those people.

After Mr. Denis was appointed minister in January 2010, the department had its budget cut from \$601 million in 2009-10 to \$508 million by the end of the 2010-11 – a 15% reduction. In the 2011-12 budget, the department was once again reduced to \$367 million, a further 28% reduction.

The reductions weren't just at the departmental level, even within his ministerial office, staff positions have been cut by 25%. This fiscal discipline at the top has set the tone for the rest of the ministry.

“The result of this competitive process has been a savings of over \$1 billion for Alberta taxpayers over the past four years.”

While it would be easy to assume this budget reduction was achieved by doing less, this is not the case. For example, the department is on target to reach the goal of 11,000 new affordable housing units in 2011, a year ahead of schedule. These units have been built through a competitive “blind process” pitting municipalities, non-profits, religious organizations and for-profit companies against each other for grant monies.

Due to utilizing partnerships instead of sole-source contracting, per unit prices dropped to \$97,000 in 2010-11, from prices that in some cases reached over \$300,000 per unit. One such example was the Louise Station project in Calgary where 88 units of “affordable housing” were built at the outrageous cost of \$27 million (\$306,818 per unit).

“It has to be affordable for the taxpayer too,” quipped Minister Denis when discussing the Louise Station Project.



The result of this competitive process has been a savings of over \$1 billion for Alberta taxpayers over the past four years.

Further, the department has been focused on moving homeless people out of shelters and into permanent housing units. This effort has significantly reduced long-term costs for taxpayers. It costs approximately \$100,000 annually to house a homeless person in a shelter because of the health care, justice and social services costs. Through the department's permanent housing program those per person costs have been reduced to approximately \$36,000 annually.

The CTF caught up with Mr. Denis and got some of his thoughts on a few topics:

CTF: Some provinces have tried rent controls to deal with affordable housing issues, what do you say to those who think they should be tried here in Alberta?

Jonathan Denis: As long as I am the Minister of Housing, Alberta will not have rent controls. My philosophy is that you leave the free-market alone and only help those who are in need. Politically, once they [rent controls] are in place, they are hard to remove.

CTF: How do you ensure peo-

ple who have good jobs and lots of money don't get into these affordable housing units?

JD: For starters we look at critical need, which is a bit subjective, but it ensures we can put the single-mother with five children in housing before an able-bodied single male. These people also have to have net assets of less than \$7,000 to qualify. We're not interested in housing people who can house themselves.

CTF: Based on your expe-

rience of being able to cut spending while meeting your targets, do you think it's reasonable for taxpayers to expect a balanced budget in Alberta by 2013-14?

JD: Yes. This year the rate of spending growth in the budget was lower than the combined population and inflation growth. But there are a lot of pressures and stresses in the system that need to be addressed – particularly in health care. The challenge will be to keep spending in-line. ♦

Education cuts: sky-falling or rhetoric flying?

As school boards across the province put together their budgets for the upcoming school year, much was made about the provincial government trimming their funding. These cuts in spending have been decried as a disaster by some in the education system.

CUPE even went as far as declaring the cuts were “the near destruction of our education system.”

The reality is that the government is reducing spending on education by \$100 million. One-hundred million dollars is a pittance in the overall budget. In fact, the Alberta government is slated to spend \$6.15 billion on education in 2011-12, meaning \$100 million represents only 1.6% of total spending.

Further, 40% of that reduction is being taken out of the Alberta Initiative for School Improvement funding. Much of that money is used on non-classroom related research projects.

Regardless, it's still been suggested that the cuts will result in 1,000 fewer teachers in 2011-12. While, this number is overblown and won't likely come to fruition, even if it did, what would it mean to students?

For starters, it's important to keep in mind that between 2000-01 and 2010-11 the number of K-12 students increased by just over 16,500 or 2.9%. During this same period the num-

ber of FTE teachers in the province increased by just under 5,000 or 16.2%. In other words, over the past decade one new teacher was hired for every 3.4 new students. The simple student/teacher ratio (taking all K-12 students in the province and dividing it by the number of FTE teachers) has fallen from 19 to 1 in 2000-01 to 16.8 to 1 in 2010-11.

Even if we look at the most drastic scenario and remove 1,000 teachers from this equation while adding another 5,500 students, it will mean the simple student/teacher ratio in the province will rise to 17.5 to 1, which is similar to levels seen in Alberta in 2004-05.

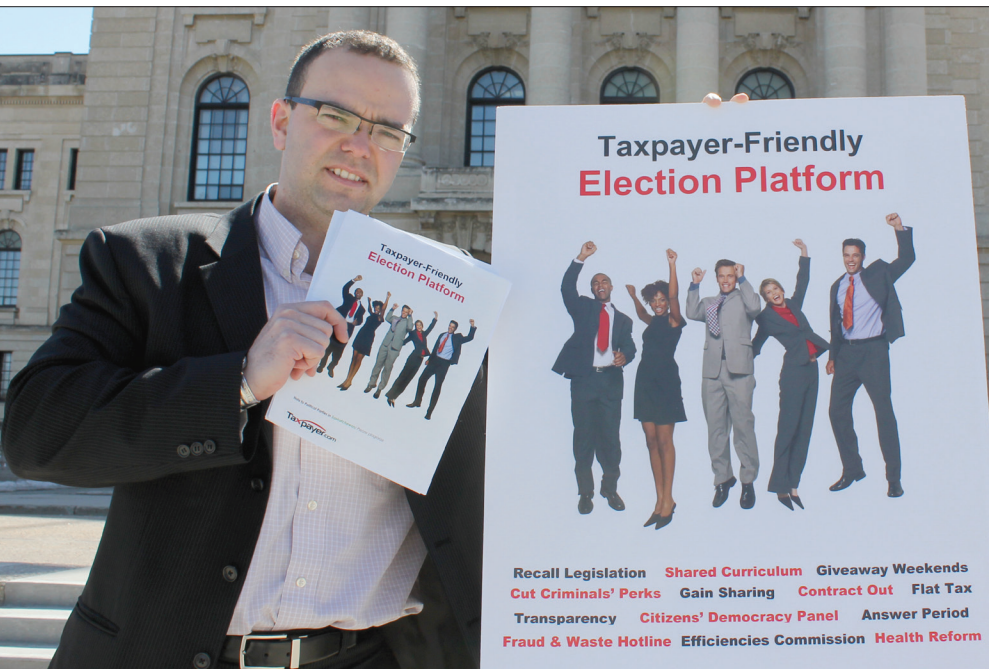
Nevertheless, it's still significantly lower than in 2000-01.

To call a slight increase in the student/teacher ratio a “near destruction of the education system” is complete nonsense – especially considering the massive expansion in teacher hiring undertaken over the past decade. Even under a worst case scenario, students are still going to fare extremely well in Alberta. ♦



TAXPAYER FRIENDLY

Election Platform



“A fraud and waste hotline would give government employees and taxpayers an outlet for identifying and flushing out misused funds.”

for identifying and flushing out misused funds. The City of Toronto has had a fraud and waste hotline for years and has credited it with saving taxpayers thousands of dollars.

Phase-out school taxes

Join Atlantic provinces by phasing out school taxes all together. Not only would this help spur economic growth,

as school taxes are income insensitive, phasing out the tax would especially help individuals and businesses who are struggling to stay afloat.

Province-wide giveaway weekend

A green idea that won't cost taxpayers any green. It's simple, twice a year the government designates weekends for citizens to put out unwanted goods – that still have life in them – on the curb with a “free” sign on the pile. Others are free to come by and poach the articles. You can see how it helps the environment without requiring a bureaucracy or spending tax dollars. Ottawa has held giveaway weekends for years and the CTF helped bring the same to Winnipeg.

Liberate cabinet documents

Current information laws require cabinet documents to be kept confidential for 25 years before the public has the right to see them. Reduce the period down to one year or less.❖

This past spring, the CTF released a “Taxpayer Friendly Election Platform” for Saskatchewan.

No, we aren't running for public office, but we wanted to provide some constructive ideas to those who will be putting their names forward during this fall's provincial election. The document we released is essentially a big menu of good public policy ideas that political parties should review and consider including in their platforms.

Below are some of the ideas we included. If you take a peek at the Manitoba section, you'll see some similar ideas presented. If you would like to see the whole thing, stop by our site at Taxpayer.com.

Fraud & waste hotline

As the provincial budget is over \$10 billion, there is bound to be abuse and waste in the system. A fraud and waste hotline would give government employees and taxpayers an outlet



by Colin Craig
Prairie Director

Taxpayer Victory: Cash for Criminals Cancelled

In the last issue, we shared with you how Manitoba Public Insurance (Manitoba's version of SGI) had been handing out benefits to car thieves who were injured while riding around in stolen vehicles.

After that news story came to light, we decided to see how SGI handled similar cases ... and low and behold they were treating criminals in a similar fashion.

We discovered that under Saskatchewan's no fault insurance, criminals injured in stolen autos not only got their health care bills paid for by taxpayers, they also received rehabilitation benefits, income replacement and permanent impairment benefits depending on their injuries.

SGI informed the CTF that car thieves were eligible for the same benefits as law abiding citizens; rehabilitation benefits up to \$5 million and income replacement benefits are as high as \$60,000. Further, if the thief suffered a permanent disability, he or she could qualify for up to \$210,000 for catastrophic cases.

The crown corporation also confirmed it would provide compensation to estates if the criminal happens to succumb to their injuries after the accident. Even more shocking, if the criminal was stuck in a hospital for a few days, SGI would sometimes pay to fly-in their family!

We use the past tense when describing those benefits for a reason – **we got them cancelled.**

You see, we brought the matter to the attention of the minister responsible for SGI, Tim McMillan, on



“SGI informed the CTF that car thieves were eligible for the same benefits as law abiding citizens; rehabilitation benefits up to \$5 million and income replacement benefits are as high as \$60,000.”

April 8th. At the time, the issue wasn't in the news in Saskatchewan and no one was talking about the matter.

We shined a big spotlight on the issue by circulating a newspaper column province-wide

and did a couple live radio interviews. Within a few days, the government tabled legislation to end the benefits, passing it on May 11, 2011.

If only other taxpayer concerns could be addressed so quickly!❖

Taxpayer Victory: Transparency Ends Waste

Recall our successful efforts to convince the legislature to post MLA expense reports online for taxpayers to see?

Well, the move has already paid off.

Back in May, a taxpayer e-mailed us to point out he discovered some NDP MLAs were using their advertising budgets to spend money on ads in their own party's newspaper! The individual asserted the expenditures were inappropriate and were akin to a subsidy to the party.

We agreed and called on the legislative committee that reviews such matters to discontinue allowing MLAs to advertise in their party publications. Kudos to NDP MLA Kevin Yates for agreeing with our concern and moving a motion to discontinue the practice. Such ads will no longer be allowed in the future.❖



Taxpayer-friendly platform

Just as we did in Saskatchewan, the CTF released a “Taxpayer-Friendly Election Platform” in Manitoba.

The document is essentially a big menu of good public policy ideas that political parties should review and consider including in their platforms. In addition to the ideas mentioned in the Saskatchewan section on the previous page (those ideas were also put forward in the Manitoba document), some of the other ideas included:

Recall legislation

Just like you can take back a new TV that doesn’t work, why not be able to return a politician that isn’t accountable? B.C. has “recall legislation” which allows citizens to remove a politician from office if enough citizens in the politicians’ riding sign a petition.

Citizens’ initiative

This is the legislation that has allowed B.C. taxpayers to force a referendum on the HST. Citizens’ initiative allows taxpayers to gather signatures and force referendums on issues important to taxpayers.



by **Colin Craig**
Prairie Director

“Just like you can take back a new TV that doesn’t work, why not be able to return a politician that isn’t accountable?”

Efficiencies commission

Create an efficiencies commission to review all government activities and recommend areas for improvement and programs to phase out all together. After years of generous spending increases, certainly there’s fat to be cut!

Open up health care

Keep the public health care system, but allow private firms to offer the same services. This could help the economy (keep money in Manitoba instead of making people drive down to the US to buy faster services) and could help take demand off the public system.

Answer period

Across Canada, politicians of all political stripes routinely refuse to answer questions during “question period.” It’s time for a neutral, elected speaker of the house (chosen by voters province-wide) with the power to force politicians to answer questions.

To view the whole document, take a look in “news releases” in the Manitoba section of Taxpayer.com. ♦

Guess who’s coming back?

Remember that giant debt clock thing we lugged around the country? You know the one that helped put pressure on the Harper government to commit to a balanced budget a year earlier than planned?

Well, we’re going to bring the ole’ clock back to Manitoba for this fall’s provincial election and tweak its programming so that it shows Manitoba’s mounting debt load – currently climbing at almost \$50 per second!

Keep an eye on Taxpayer.com for updates. ♦



Beers and Bipole

The CTF hosted a “Beers and Bipole” panel discussion recently in Winnipeg to help taxpayers learn more about the Bipole III hydro line issue.

The event’s panellists included Liberal leader Jon Gerrard, Green Party leader James Beddome, Progressive Conservative leader Hugh McFadyen and NDP cabinet minister Stan Struthers. Each representative expressed their party’s position and then took questions from the floor.

Afterwards, those in attendance were invited to stick around for a beer and mingle with the panellists; cash bar of course. A big thank you to the panellists for participating and to *Shaw Cable* for airing the event on their news channel.

As the overall feedback was quite positive, we’re hoping to hold

similar events in the future. If you didn’t receive an e-mail update from the CTF about the event, but you would like to receive future updates, send an e-mail to admin@taxpayer.com and we’ll add you to our list.❖



Prairie Director Colin Craig addresses the CTF’s ‘Beer and Bipole’ panel meeting.

Govitoba?

Many have grumbled for years in Manitoba that it seems like “everyone” works for one government body or another.

Well, a new study by the *Frontier Centre for Public Policy* shows there’s actually some truth to that long held suspicion. After digging into *Statistics Canada* data, authors Ben Eisen and Jonathan Wensveen came across some interesting facts:

“Across Canada, approximately one in five labour force participants holds a public sector job. In 2009, 20% of all jobs in the economy were in the public sector. In Manitoba, in 2009, 27% of all jobs were in the public sector ... only Newfoundland has a greater percentage of its total workforce occupied in public sector employment.”

And it’s not that Manitoba has an abundance of federal govern-

ment employees ...

“Across Canada, 16.6% of the employed workforce holds a government job at either the provincial or local level. In Manitoba, that number is substantially greater – 20.1%.”

The report also shows Manitoba has a high percentage of its workforce working for both government departments (2.8% of the province’s employed workforce versus the national average of 2.1%) and school boards (5.4% versus a national average of just 4%.)

Incredibly, the report notes that if Manitoba could get its public sector workforce down to the national average, every man, woman and child could save almost \$1,000 per year.

Kudos to the Frontier Centre (www.fcpp.org) for digging up these numbers – they’ll definitely help the push for reducing spending and lower taxes!❖

“If Manitoba could get its public sector workforce down to the national average, every man, woman and child could save almost \$1,000 per year.”



McGuinty tries to sooth Caledonia victims with \$20 million hush money payoff



Gregory Thomas
Ontario Director

With just weeks remaining in his mandate as Ontario premier, Dalton McGuinty tried to bandage up one of his longest festering scandals, the illegal occupation in Caledonia, Ontario, by a group of disaffected aboriginals from the nearby Six Nations reserve.

McGuinty agreed to pay \$20 million to settle a class action lawsuit by 440 residents and 400 business owners in the small southwestern Ontario community that has been under siege for more than five years. Residents have endured roadblocks with armed, masked gunmen, frequent gunfire and smoke, the destruction of an electrical tower that cut power to the community, as well the abduction of two police officers and the torching of their vehicle.

McGuinty's government refused to enforce court injunctions to end the blockade when it started in 2006, exposing the province of Ontario to the lawsuit. Costs to the province now surpass \$100 million, including policing by the Ontario Provincial Police, \$16 million to purchase a parcel of land occupied by the protesters and now \$20 million to

compensate victims.

"Ninety minutes from Toronto, there is a slice of Ontario where (OPP) officers dare not and do not go," wrote *National Post* columnist Christie Blatchford, in her book about the Caledonia occupation, *Helpless, Caledonia's Nightmare of Fear and Anarchy, and How the Law Failed All of Us*, Blatchford says the Caledonia occupation "remains Ontario's greatest modern disgrace."

One resident described the settlement as "hush money," saying victims were obliged to sign "confidentiality agreements" with McGuinty's government as a condition of receiving compensation.

Toby Barrett, who represents Caledonia in the Ontario legislature, said "the Ontario government has focused on priorities like policing what kind of dog we can own or protecting the dandelions on our lawn – it has turned a blind eye to lawbreakers who take a free ride on the backs of law-abiding citizens." ♦

“Residents have endured roadblocks with armed, masked gunmen, frequent gunfire and smoke, the destruction of an electrical tower that cut power to the community.”



Occupied house in Caledonia Land Dispute: Wikipedia/Wuffyz

Taxpayers put millions into profitable Toyota and Ford

Canadian and Ontario taxpayers, still on the hook for \$4 billion from the bailout of General Motors, need the value of their GM shares to double before they can hope to recover the money. Now, the federal and Ontario governments are at it again, this time, putting public money into Toyota. The Japanese carmaker is getting \$142 million to “improve productivity” at its auto assembly plants in Cambridge and Woodstock.

Ottawa’s contribution is in the form of a long term, interest-free, repayable loan. (Who couldn’t use an interest-free loan?) Ontario meanwhile – give the McGuinty government credit for honesty – is simply writing Toyota a cheque.

Operating profit at Toyota fell to \$570 million US in the first quarter of this year, as the massive March earthquake in Japan forced automakers to slash production. Operating profit for the full year ended in March was expected to fall to \$3.8 billion, owing to the big quake.

Ford reported profits of \$2.55 billion in the first three months of 2011. Ford was the only North American automaker not to accept a government bailout after the financial crisis of 2008. But the federal and Ontario governments



“Ford reported profits of \$2.55 billion in the first three months of 2011.”

did promise Ford \$80 million in 2008 from the same fund it tapped for Toyota – the *Automotive Innovation Fund*, part of a plan to retool Ford’s Essex engine plant in Windsor.

Toyota will use some of its taxpayer handout to switch its Cambridge paint shop from solvent-based paints to more eco-friendly water-based colours. With the federal and provincial governments on track to borrow over \$45 billion, just to cover this year’s deficit spending, taxpayers should be seeing red over this deal for years to come. ♦

Subsidy-seekers announce layoffs ahead of Ontario election

Both Ontario’s Conservative and NDP leaders are vowing to scrap the McGuinty government’s controversial multi-billion dollar programme of subsidies for wind and solar energy power.

And with the McGuinty Liberals trailing in the latest polls by double-digits, that’s got recently-arrived offshore green-energy companies planning layoffs. Under McGuinty’s Green Energy Plan, Ontario households are forced to pay up to 80 cents a kilowatt hour – 10 to 15 times the going rate – for 20 years, to cover the cost of building wind farms and installing solar panels.

Conservative leader Tim Hudak says he’ll honour existing green-energy contracts, but with

thousands of applications for the lucrative green energy deal awaiting approval, investors are getting nervous.

Spanish-owned solar panel maker Siliken Group announced plans in July to get rid of nearly its entire Windsor workforce – 120 staff. Just two months earlier, Ontario Economic Development Minister Sandra Pupatello, who represents Windsor in the legislature, cut the ribbon on the Siliken plant. “This is another great example of our government’s *Green Energy Act* at work,” said Pupatello. “We are attracting an entire sector and supply chain to Ontario, providing good jobs for people in Windsor and across the province.” ♦

Nova Scotia Crowned as **HIGHEST TAX PROVINCE** by its Own Government

Well, the numbers are in and what many Nova Scotians have sensed from their shrinking pocketbooks has been confirmed – when you add Nova Scotia's federal, provincial and property tax burdens, compared to the size the economy, it is the highest taxed jurisdiction in all of Canada.

A dubious distinction ...

Nova Scotians also pay highest sales taxes (an HST of 15%), the second highest income taxes and some of the highest property taxes in Canada.

The findings are contained in

“It's time to see some real action to provide meaningful tax relief, and as the province moves closer to balancing the budget, the demands for relief will continue to grow.”

a report written by the NS Finance Department and posted on its website. The report called, “Overview of Taxes in Nova Scotia,” sat on the government website for over a month without comment from opposition parties or other advocacy groups until the CTF weighed in.

Rather than address the substantive issues and heed the advice of his own department's report. Nova Sco-

tia Finance Minister Graham Steele's response was to take aim at the CTF.

After a provincial cabinet meeting in Halifax, the minister reacted to news reports on the province's standing by lashing out at the CTF saying, “It's a right wing anti-tax organization that has no commitment to fairness or accuracy.”

Given that the CTF's claims were taken directly from the government's report, challenges to its accuracy are silly. The minister's sharp comments were little more than a diversion and unfortunately the real issue of tax reform for Nova Scotians was put aside for another day.

It's time to see some real action to provide meaningful tax relief, and as the province moves closer to balancing the budget, the demands for relief will continue to grow.

This debate has just gotten started. Distractions can only last so long. The Minister has two choices: reduce taxes like voters are demanding or risk political consequences the next election. ♦



by **Kevin Lacey**
Atlantic Director

NS MLA Pension Gravy

The date of June 1st made eight Nova Scotians very lucky people.

That was the date that eight MLAs qualified for the richest politician pension plan in the country.

That's right, after serving just five years and winning two elections, these folks will be eligible for the minimum pension when they leave politics after turning 55.



MLAs Jet to Germany

Big changes are coming to New Brunswick as the Province deals with its almost \$500 million dollar budget shortfall this year.

Already the government is moving to cut costs – and rightfully so. School boards are threatening to cut teaching positions to make up for its budget cuts, the province did away with business incentives to help the film industry and some civil servants have begun to be let go.

Everywhere government is making significant cuts as they try to balance the provincial budget without raising taxes. These are tough decisions but they are a step in the right direction.

But, in every crowd, there are those resistant to change and unwilling to make the necessary sacrifices. And in this case none it seems are more resistant than three MLAs who accepted a junket at taxpayers' expense to Berlin, Germany.

The three MLAs were originally scheduled to attend The Partnership of Parliaments Conference – a conference designed to teach MLAs about the German Legislatures and the Senate. The conference took place in late July, during the warm summer season in Germany.

Shortly after Liberal MLA Roland Hache was selected to attend after winning a “lottery” within his caucus (he drew his name from a hat), he dropped out after public pressure to skip the trip became too great. He said at the time that it did not seem like a good use of tax dollars considering the province's fiscal situation.

“ When asked why there were attending this trip, at a time of fiscal restraint, neither MLA hazarded to make a strong justification.”

Two Conservative MLAs, Dale Graham and Wayne Steves did not have the same reservations. Ironically, the two supported a government announcement to cancel non-essential travel for teachers and other government of New Brunswick officials after the new Conservative government came to power.

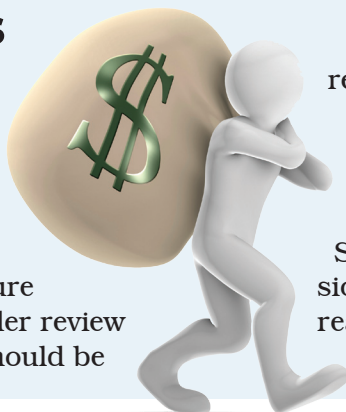
When asked why there were attending this trip, at a time of fiscal restraint, neither MLA hazarded to make a strong justification.

Mr. Graham is the speaker of the legislature and has served in provincial politics for the past 18 years; Mr. Steves has served for the past 12 years, both should know better. And both should have turned down invitation to this trip.❖



Train Continues

The CTF has been fighting for changes to this absurd MLA pension program for the past nine months. And this spring the government announced that thanks to public pressure those pensions are now under review and a report on how they should be



reformed is due to the legislature this fall.

Most Canadians have to work 15, 20 or more years before they will qualify for a pension and many others have no pension at all.

So while eight more MLAs hop on the pension gravy train, let's hope that we see some real changes in this review so taxpayers are not getting fleeced in the future.❖

50,000

That's how many Canadians
will read this page

**Help Your Business
Help a Good Cause**

Advertise in *The Taxpayer*
Magazine

For Information

e-mail: ads@taxpayer.com

ph: 877.565.1927